FEATURING REAL ESTATE BONDS

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The Nation's Business

Baldwin Hails Empire Marketing

Shows He Has Been Converted a Little

Still Hazy About Advertising

"Canada's Corner"

STANLEY BALDWIN'S first addresses in Canada have undoubtedly created a very favorable feeling towards Britain's premier. Premier Baldwin has been somewhat fortunate in having the Prince of Wales along to crystalize in unavoidable platitudes the conception of Imperial unity that all recognize. Mr. Baldwin was able in his very first address to launch into the discussion of matters of immediate concern to the business interests of Canada. His outline of the work of the Empire marketing Board was a valuable contribution to the job of stimulating appreciation in Canada of this effective agency for fostering inter-Empire trade.

To those who have been following the development of the work of this board, seeing it develop slowly from an organization tolerated by the politicians and unappreciated by the man in the street—in reality, a sop to the Dominions for the failure to sell the British people on protective tariffs and the corrollary Imperial preference on foodstuffs—to a gigantic agency for trade stimulus, Mr. Baldwin's remarks reveal the extent of his own education, his own warming up towards Empire trade. And yet Mr. Baldwin himself is not yet fully cognizant of the problem of creating Empire trade as some of his remarks in Montreal indicate.

* * *

IN MONTREAL, Premier Baldwin referred to the work being done by the Empire Marketing Board and the opportunities it afforded for inter-Empire trade.

He told of the work being done in publicity and in research work fully understood by those who have read of these developments in this column from time to time.

Premier Baldwin has only recently discovered the wonderful results that can be securred by a properly conducted publicity campaign. Only a couple of years ago he referred, during one of his addresses in England, in a rather humorous and satirical vein, to the importance that was being attached to advertising; he had even heard that advertising was being taught in universities and colleges.

Premier Baldwin has made great progress since that time, and seems now to recognize fully the importance of advertising and publicity in connection with a sales campaign, and the results that can be secured from it.

* * *

PREMIER BALDWIN used a phrase, however, in his address, which indicated that he is still mystified by the results that can be secured from an intelligently conducted advertising campaign. He referred to the Empire Marketing Board whose function it was "by the mysterious arts of this novel craft of publicity" to create a consciousness of the obligations of Empire and of the obligation of each individual to his fellow subject.

There is nothing mysterious about advertising. It is merely transferring to paper information and arguments which were formerly given only by word of mouth.

The industrial firms which have made the greatest success of advertising have always maintained there was nothing mysterious about it. It is true production methods are mysterious to the man who does not understand them. A roll of newsprint is fed into a machine and a printed and folded newspaper comes out at the other end. This may be a mystery to the man on the street who watches the machine, but it is perfectly plain, straightforward work to the publisher or even the operator.

* * *

THE Empire Marketing Board has undertaken a piece of work of first importance. Premier Baldwin asks for Canada's co-operation, which should be given. Let us understand, however, that it is not a mysterious job, but a very simple proposition if the work is put in the hands of men who understand publicity.

The first move is to bring Canada's contact with Empire Marketing under the control and personal supervision of the Minister of Trade and Commerce, where it belongs. Then we will be able to take full advantage of Britain's co-operation so unequivocally promised by Britain's premier.

* * *

PREMIER BALDWIN'S Ottawa address, in which he discussed at length the famed "formula" that defined the status of the British nations, must have been a disappointment to those in Canada who have hailed the great London definition as the greatest advance in Canadian political history. "Status you have, as you always have had," said Mr. Baldwin, in effect, "practically though Great Britain intends to manage its own foreign affairs for a while yet." If anything, Mr. Baldwin's speech on the "formula" leaves the situation more

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Say Salmon Situation on Coast Not as Bad as Earlier Portrayed

Official Reports Discouraging, But Managers Optimistic

FAVOR GOSSE FIRM

Coast Investors Not as Friendly to B.C. Fishing and Packing Company Now

By Staff Editor

VANCOUVER.—Official reports of salmon catches in British Columbia waters so far this season are not encouraging from the viewpoint of holders of stock in the fishing companies. But the official reports do not contain the whole story, according to administrative heads of companies here.

Investors, therefore, can take their choice between figures and opinions.

A few weeks ago, The Financial Post was informed, the situation was gloomy, with the prospect of a very poor season for all the companies. But with better weather following a backward spring, the companies now are hoping for an average year.

More Than Single Stream

Much comment of a none-too-encouraging nature comes from governmental sources. But it is asserted that the compilation of government facts concerning the future of the sockeye industry is flavored by the opinions of a man who thinks of the sockeye as only concerning the Fraser river.

There is also the Skeena river. And there are other streams along this coast from which salmon are caught.

And even so far as the Fraser is concerned, the situation shows signs of improvement. The obstruction in the stream created by Canadian Northern construction fifteen years ago has been removed and the salmon again can reach their spawning beds on the upper river. It will be many years before the big catches of former years can be hoped for. But if an improvement is noted from year to year, the outlook for the salmon industry in British Columbia will be improved.

Gosse Packing and B. C. Fishing are the two big companies which are diversifying their activities by the establishment of reduction plants, etc. Gosse was in this business first and B. C. Fishing became involved in it a year ago when it took over Wallace Fisheries.

Disappointing Pilchard Catch

So far this year the catch of pilchards, from which oil and meal are largely obtained, has been extremely disappointing. It is said that there are myriads of the fish in the outer waters, the spawning areas, and the fleets of boats are cruising around waiting for the fish to move into calmer waters, where they can be caught. They did not begin to move in until ten days ago. They were weeks later than normal.

Out here, Gosse Packing is considered the better of the two companies, in which there is a large Canadian investment interest. It is thought that B. C. Fishing is a trifle unwieldy and the stock market situation in that stock prevailing last winter has not predisposed the public in favor of the company.

Talk of Absentee Control

Yet from all that can be gathered in Vancouver, it is apparent that B. C. Fishing is a well-managed company, so far as the executives on the Coast are concerned. Pleasant relations are maintained with the other companies, the general manager is one of the most experienced in the business, and the assistant general manager is reputed to be able and aggressive, and there is no evidence of wasteful financial policy.

What criticism there is of B. C. Fishing here is limited to the comment that the president of the company lives in Toronto and that Toronto is 2,700 miles from Vancouver.

RUN IS DISAPPOINTING

From Our Own Correspondent.

VANCOUVER. — Technical experts and practical fishermen are somewhat alarmed over the shortage of salmon and pilchards off the west coast of British Columbia this year. Unless present conditions are very much improved during the next few weeks the situation will be rather serious for some of the packers and others associated with this $20,000,000 industry.

Late reports indicate that there has been a slight increase in the catch of salmon in the Skeena River district, but from all other important centres the reports are so unsatisfactory that John P. Babcock, deputy commissioner of fisheries and one of the world's foremost authorities on the salmon, has been sent out on an inspection trip that will include all the important salmon fisheries of B.C.

The fact that the year 1927 corresponds according to the salmon cycle with a year when the salmon run was heavy makes the showing all the more surprising. According to the usually accepted theories, this should be a good salmon year. Two explanations are offered—that the fish hatched four or five years ago were depleted by unfavorable weather conditions or that a cool spring has caused the salmon to keep

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Australian Bank to Open in New York

The Commonwealth Bank of Australia plans to open in the not far distant future a branch or agency in the financial district of New York in recognition of the growing importance of New York, as compared with London, in the flotation of Australian loans.

H. T. Armitage, deputy governor of the Commonwealth Bank, will land in San Francisco en route to New York from Sydney, Australia, within the next week or ten days and proceed to the Eastern city immediately.

Canadian Department Stores Sales Larger

Sales of Canadian Department Stores in July are stated to have shown the same rate of increase that has characterized the business since the recent merger. Sales are up about 15 per cent., it is said.

The stores are said to be earning all their fixed charges although this is the slack season of the year in merchandising.

Toronto Brewing Now is Delivering Beer

Toronto Brewing and Malting Company commenced delivery of beer last Friday. Sales have already shown a steady increase since the opening day and directors are confident of reaching the original estimate in short order.

Shares of the common have been selling at slightly over $12 and have not sold below that figure since the offering.

B. C. TO BORROW

From Our Own Correspondent.

VICTORIA.—The province of British Columbia will be in the market in the current year for approximately $4,500,000 for refunding purposes.

CAN. LOCOMOTIVE EXPECTS BETTER ORDERS SHORTLY

Railways Have Been Backward Lately in Placing Business

MINE SALES GROW

New Department Manufacturing Mining Machinery is Steadily Establishing Itself

Directors of Canadian Locomotive Company, somewhat puzzled by the recent chariness of the railways in the purchase of new traction equipment, are expecting large scale orders before the close of the year. No definite orders have recently been received for locomotives. Dependent so largely upon orders from the two large Canadian railways, the company cannot operate on a very heavy scale unless these two railways are buying; this the lines have not been doing; certainly, they have not placed large locomotive orders.

Canadian Locomotive plant has considerable work ahead, however. It is now engaged in finishing up a large order for engines of the 6100 class for the Canadian National Railways. These are the largest locomotives in Canada—in fact anywhere in the British Empire and they are the traditional last word in the traction equipment for railways.

Three More Engines on Order

After the C. N. R. order is out of the way, Canadian Locomotive will get busy on an order for three engines for the Alberta Great Waterways Railway and there is a possibility of an order for a few more engines from within the next month from one of the other lines.

Orders for mining machinery show a steady increase and the company has a substantial volume of business on its books in this department. This is a new line for Canadian Locomotive Company but already seems to be proving itself as a steady source of business that will help to level out of the peaks and valleys of the locomotive business.

With the huge development that is expected in the mining field in the next few years directors of Canadian Locomotive are very hopeful of good business in the mining machinery department.

Will Conservative Party Attempt to Win Back Lost Favor in Quebec?

This is Fundamental Problem of Winnipeg Convention as Ottawa Observer Sees It—No Certainty in Political Forecasts

By JOHN A. STEVENSON

The Financial Post has no politics and no party connections, but it appreciates that the coming Conservative convention at Winnipeg is more than a party affair. Because of the effect the convention is likely to have upon one of the two great national political parties, it is a matter of vital importance to Canadian business.

In a group of articles, the future of the Conservative party and its policies will be discussed by John A. Stevenson, one of the shrewdest of Ottawa's political observers. Mr. Stevenson is not a Conservative, and this detachment from the party may help him in what he writes and make his observations of greater value.

In a second article, it is proposed to discuss the qualification of some of the men, who are credited with aspirations for the Conservative leadership, and their attitude to the more important problems of the day.

The Conservative party is now approaching what Winston Churchill would call another grand climacteric in its fortunes, when it meets in a national convention in Winnipeg on October 11 to choose a new leader and draft a fresh programme. The gathering will be thoroughly representative of the party and, if the delegates receive intelligent guidance and display reasonable wisdom and perspicacity, results very valuable both for Conservatism and the country should be forthcoming. There are pessimists, who, looking back at its failure to secure a majority in the last three elections, take a dark view of the Conservative party's future and at the best foresee for it a long sojourn in the shades of opposition, but a party which at the last election polled 1,450,000 odd votes or 47 per cent. of the total cast, has no real reason to be despondent and apprehend a sterile or decaying existence. The truth is that Conservative parties never die; they may suffer adversity and wane in strength, but there always remains for them a powerful nucleus of support and sooner or later the electors, tired of the experiments and errors of liberal parties, put Conservatism in power as a sedative to the national nerves.

Has Impressive Record Behind

The Canadian Conservative party has behind it a very impressive record of constructive accomplishment and its responsibility for most of the fundamental changes in our political and economic structure since Confederation should suffice to acquit it of the charge that an obstructive Toryism has been its dominant creed. It was Conservative majorities which produced the National Policy and made possible the building of the Canadian Pacific Railway; it was Conservative influences which evolved the Canadian National Railways system out of the wreckage of the Grand Trunk and Canadian Northern lines; it was a Conservative Finance Minister who made the income tax part of our financial system and it was a Ministry dominated by a Conservative majority which introduced the momentous change of women's suffrage and passed the last great measure of Civil Service Reform. Indeed, unless devotion to the creed of protectionism is to be regarded as the fatal hallmark of reactionary tendencies, the Conservative party can boast as good a record of legislation of that character usually labelled progressive, as its historic rival.

Over Half of Time in Office

In the sixty years which have elapsed since Confederation the Conservative party has had thirty-one years' tenure of office at Ottawa on its own responsibility and was also the majority element in the Coalition which ruled the country from 1917 to 1921. In one of his books the late Earl Cromer, the maker of modern Egypt, made the confession that he had for a long time at the beginning of each year made a practice of committing to paper more or less detailed forecasts of what was in his judgment likely to happen both in British and foreign politics during the year and that he had found himself almost invariably astray in his forecasts and

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Three Knit Goods Makers Named as Merger Nucleus

Mercury Mills, Zimmerknit and Harvey Knitting Are Mentioned

FELL THROUGH ONCE

Former Negotiations Said to Have Come to Naught, But Are Under Way Once More

Merger of a number of large and important manufacturers of knit goods in Canada is likely to be consummated at an early date.

Such a merger has been in course of negotiation for some months. Pourparlers reached a point of definiteness just prior to the recent refinancing of Zimmerknit, Limited. Then a hitch occurred and Zimmerknit was financed alone, a preferred stock issue being sold.

Now it is stated in circles, usually well informed regarding the companies said to be in the merger, that negotiations are on again with excellent prospect of successful conclusion.

Mercury, Zimmerknit, Harvey

Companies mentioned as likely to form the nucleus of the merger are Mercury Mills, Hamilton; Zimmerknit, Hamilton, and Harvey Knitting Company, Woodstock. All three are sound and successful companies. It is felt that such a merger would give the companies added strength in their fight to hold the Canadian market against foreign importations. Fortunately, at the present time, there is not a great deal of competition between these three companies, as a substantial proportion of their total business is in non-competing lines, a wide variety of styles and prices enabling each company to find its own field within the same industry.

Mercury Mills is one of Canada's largest manufacturers of high-grade wool, cotton and silk hosiery and underwear.

Zimmerknit manufactures underwear, hosiery and knit goods.

Harvey Knitting manufactures similar lines, specializing in women's silk and rayon garments.

Couch Had Merger Planned

It is stated that A. B. Couch, late president of Zimmerknit, was on his way to discuss the merger with certain parties, when he met his untimely death in an automobile accident near Toronto. He is said to have had the merger planned.

Story of Mercury Mills

Mercury Mills of Hamilton was organized in 1912 by John Penman, when the latter sold out his former business to a group of Montreal bankers. While a private company, it has some $736,000 of bonds outstanding in the hands of the public. Information as to the capacity of plants, earnings and assets has not been vouchsafed since these bonds were sold in 1922. At that time, total net assets of the company were about $2,700,000. Net earnings were at the rate of about $218,000 annually, which is believed to have been slightly increased. Value of plant was $1,700,000, and it had a capacity of 1,500 dozen pair of hosiery and 300 dozen of underwear daily, representing a turnover of about $2,500,000 at capacity production.

Zimmerknit, Limited, as a business,

(Continued on page 8)

Only Frost Can Stop Good Western Crop

By Staff Editor

WINNIPEG.—The utmost optimism as to the crop outlook prevails in the prairie provinces. Observers declare loss from rust and hail will be slight as regards total. Warm sun of last two weeks has brought wheat along wonderfully and only an exceptionally early frost can prevent high yields.

GOODYEAR DOES NOT NEED BRITISH, AUSTRALIA MARTS

Ready to Allow American Company to Build New Plants

Expansion of the Goodyear Tire and Rubber Goods Company of Akron, Ohio, into England and Australia will take from the Goodyear Tire and Rubber Goods Company of Canada, the export business it now enjoys in these two large though not very profitable markets.

The American company has bought a plant in Britain and will be in active operation by the end of this year or early next year, producing 600,000 tires and 600,000 tubes per year. All tires will be manufactured by and sold through a British subsidiary entirely controlled by the American company and in which the Canadian company will have no interest.

1,100 Tires Daily in Australia

The American company is also building a plant in Australia. A plant with a daily capacity of 1,100 tires and as many tubes a day was started by the company late last fall. It will be in operation about October 1.

It is said that the British plant will also go after export business.

Not As Bad as it Looks

At first glance, the situation seems to present the probability of important markets being taken away from the Canadian Goodyear Company without compensating advantages in the form of stock interests in the British and Australian subsidiaries. It is, however, pointed out by those closely in touch with Goodyear affairs that the situation does not affect the Canadian company adversely.

In the past the Canadian and American Goodyear companies have been virtually in competition with each other. The markets of the world have been divided up, not on any arbitrary basis, but upon the basis of comparative economy of handling the business. A slight advantage has been given to the Canadian company, for as C. H. Carlisle, vice-president and managing director of the Canadian company, pointed out in his annual report in 1921, "Arrangements have been made with the Akron Company whereby the Canadian Company will receive all foreign business which it can deliver to point of destination at an equal or better cost than the Akron company."

Tariff is Difficulty

Australia and Great Britain have been two countries where most of the business has come to Canada on this basis. The Canadian company was able, because of the preferential tariff in Britain and certain advantages in Australia, to undersell the American company in both of these countries and so got the bulk of the business. But the difficulty was not competition with the American company; it was competition with companies established in those countries.

In Britain, for instance, although the Canadian company had a preference of one-third as against American producers it had to climb over a 20 per cent. tariff wall that protected the British manufacturer. That made it necessary to build a plant in Britain to hold the British market. Directors of the Canadian company carefully reviewed the situation and decided that they were not ready to build such a plant. They did not wish to tap their strong financial resources for an investment outside of Canada. They were not certain of the continuance of the British tariff on tires. They confessed themselves as chary of the British labor situation. They decided that they would rather lose the British business than build a plant in Britain. The American company, however, with much larger resources and a greater diversity of assets, felt that it could afford such a plant and decided to build in Britain. It was a case of Canada having the opportunity but turning it down for what the directors considered to be sound reasons. But though Canada did not want to lie in the manger it could not keep others out.

The Australian situation was not

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Continuation of Present Business Now Seems Assured
Dollar Volume of Business in June Ahead of Last Year
Employment Index Sets New High Mark for All Time
Value of Construction for Seven Months Shows Increase
Revenue Freight Loadings Continue Along Good Lines

A CONTINUATION of the present high degree of business activity during the balance of the year, now seems assured, although it is possible that in the event of the crop now coming up to expectations, trade and industry in the remaining months will be somewhat less satisfactory than a year ago. The turn of the year finds trade rather quiet and the pace of industry slackened. This is not unusual, as at this period many of the major industries suffer from a mid-summer lull, which has no particular significance.

Survey of all the principal business indices for the first half of the year, show a uniformity of conditions. Wholesale trade is ahead of last year, judging from the movement of merchandise. Railway traffic loadings were the heaviest on record. Automobile production set a new high mark. Iron and steel output compared very favorably with the same period last year. Production of pulp and paper was well maintained. Taking the situation as a whole, the government's record of the physical volume of business for the six months was from 7 to 10 per cent. higher than in 1926. This fact is borne out by bank debits to individual accounts the increase of which corresponded very closely with the physical volume.

Dollar Business Increases

The dollar volume of business in Canada was seven per cent. greater in June than in the same month last year, and after correction for seasonal tendencies the increase over the preceding month was 1.5 per cent. Total debits during the first half of 1927 were $16,018 millions, compared with $14,541 millions in the corresponding period of last year, an increase of 10.2 per cent. The advance was chiefly in Quebec and Ontario, where gains of 19.5 per cent. and 11.5 per cent., respectively, were shown, while an increase of 1.2 per cent. was attained in British Columbia. A decline of 4 per cent. was shown in each of the remaining economic areas.

Employment Sets Record

The most significant indication of the change for the better in trade and industry is to be seen in the July report on employment. Since the beginning of the year, the volume of workers has been appreciably ahead of last year. On July 1, however, the number of employees engaged was the highest ever recorded. The increase was larger than on July 1 of any other year of the record and brought the index number to 108.4, the highest point for any month since January, 1920. The period of greatest employment does not occur until October 1, so that at the present rate of increase, the index number on that date this year is expected to be much beyond previous high mark.

General improvement was registered in all industries except logging, which showed seasonal curtailment. The largest gains were reported in construction, in which they were greater than on July 1 of any other year of the record. The trend was favorable in all provinces, the most noteworthy expansion taking place in the Maritime Provinces and Quebec. The Prairie Provinces also showed betterment, although the increase was not as great as in the other areas. The advance in employment was exceptionally great and the index, at 122.9, was at its maximum since the record was instituted in 1920. There was a seasonal curtailment in some Ontario activities, but the employment situation in that province is far from unsatisfactory.

Building Values Up

One of the principal reasons given for this excellent showing in the number of workers gainfully employed, was the more pronounced activity in construction. So far new work to the value of $242,205,000 has been contracted for, according to McLean's Building Reports, as compared with $228,408,300 for the corresponding seven months of 1926. The greatest amount of money has been invested in Ontario for construction during the year to date. Quebec is next on the list, followed by the Prairie Provinces, British Columbia and the Maritimes.

There is reason to believe that the total value of construction undertaken this year will exceed that of 1926. Not only has the value of building actually undertaken in the first seven months been greater than last year, but contemplated work for the balance of the year is exceptionally heavy. While it is impossible to determine with any degree of accuracy the percentage of the contemplated work which will materialize, indications are exceedingly favorable.

Freight Loadings Up

The most remarkable feature of the general business situation this year, has been the manner in which revenue freight loadings have maintained a steady increase over the corresponding figures for last year. In the 29th week, ending July 23rd last, 62,440 cars of revenue freight were loaded, as compared with 59,347 in the same period of 1926. Since the beginning of the year, cumulative loadings have totaled 1,756,755, an increase of 112,679 over last year's figures. Moreover, there has been a substantial increase in the number of cars received from foreign connections.

Outstanding among the commodities carried by the Canadian railways this year, is that of merchandise. With the exception of one week, during the Dominion Day holidays, loadings in this division have exceeded those of last year. This is strong evidence of the greater purchasing power prevalent throughout the Dominion. More money is available and the manner in which the public is absorbing the tremendous output of our factories, promises well for the months immediately ahead.

Agricultural Survey

Nearly All Crops Headed
Cutting End of Month
31,000 Harvesters Needed
N.S. Apple Crop Big

Heading of wheat in the Prairie Provinces has taken place very rapidly during the past seven days and it is estimated that about 90 per cent. of all crops are now headed. Warm weather and plenty of moisture has brought the crops along in wonderful style, enabling the heads to fill out well. Damage from rust, sawfly and other pests, has been well scattered and loss particularly small Cold weather in the earlier part of the season effectively killed off the grasshoppers and it now appears that the crop will be of above average quality.

Prairie Conditions Satisfactory

Wheat, early sown oats and barley are practically all headed out in Manitoba. Late-sown flax runs some chance of damage from early frosts. Reports from scattered districts on August 1, stated that frost had been experienced, but the overnight dip below the freezing mark was not sufficient to damage the crops. Rye cutting is in progress and should be general by the middle of next week.

Saskatchewan reports conditions as satisfactory over the whole province, except in those districts which were hailed out earlier in the season. Wheat is nearly all headed out and the stand promises to be one of the best in recent years. No damage is reported from frosts, rust or cutworms. Conditions in Alberta are excellent. The province is anticipating the best crop in its history. Even in those areas which were hailed, much of the loss will be recovered. Oats and barley are also in head, both being excellent crops. Cutting of winter rye is taking place in many sections and the yield promises to be very heavy. Exceptional yields of hay are reported and cutting is underway. It is noticeable in all the reports from the West during the last week or two that fodder crops are particularly good this year.

Many Harvesters Needed

With the crop so far advanced, it is now estimated that approximately 31,000 harvesters from Eastern Canada and the Pacific Coast will be required to garner the Western Canadian crop this year. Harvesting will not be general until the last of August, even under most favorable circumstances, and it is possible that the estimated labor requirements will have to be revised upward. The distribution of harvesters will be 20,000 to Saskatchewan, 8,000 to Alberta and the balance to Manitoba.

Conditions in Ontario, Quebec and the Maritimes continue along satisfactory lines. Hay making is general in Quebec and while the crop is good, some damage has been caused by excessive moisture. Oats are promising, except in low lying districts. Ontario reports general cutting of fall wheat. Barley and oats show further improvement. Root crops and tobacco have made splendid growth, but now require dry weather.

Potatoes, the principal field crop of the Maritimes, are doing well. The acreage devoted to pure seed production this year is larger than ever and exports should be greater than last year. In Nova Scotia, the June drop of apples was heavier than anticipated, and the crop is now estimated at 1,400,000 barrels, an increase of 60 per cent. over last year. Haying has commenced in all three provinces, but wet weather has delayed operations to some extent. The crop promises to be very heavy.

Business Conditions in United States

Dollar volume of trade in the United States during the week ended July 23, as seen from data on check payments, although smaller than in the preceding week, was larger than in the correspondink week of last year, according to the weekly statement of the Department of Commerce. Wholesale prices declined from the previous week, reaching their lowest level since the end of the war. Prices for cotton, however, continued to average higher than in the previous week, but were still below the corresponding week of a year ago. While prices for iron and steel averaged the same as in the previous week, the price level was lower than for the corresponding week of 1926.

Loans and discounts by Federal reserve member banks showed no change from the preceding week, but were higher than in the corresponding week of last year. Interest rates on time money averaged lower than in the previous week, but were higher than in the same week of a year ago. Bond prices showed practically no change from the previous week, but were higher than in the same week of the previous year. Stock prices again advanced, both as compared with the previous week and the same week of 1926. Interest rates on call loans declined from both comparative periods. The Federal reserve ratio advanced from both the previous week and the corresponding week of last year.

Production of bituminous coal during the week ended July 16 was larger than in the preceding week, but considerably smaller than in the same week of 1926. Lumber output was greater than in either comparative period, the increase over a year ago being the first registered this year. The production of beehive coke was smaller than in either the previous week or the corresponding week of 1926. Petroleum production again reached a new high record. Receipts of wheat at primary markets were greater than in the previous week, but smaller than last year. Cotton receipts were substantially larger than a year ago. Receipts of cattle at primary markets were smaller than a year ago, while hog receipts showed an advance over the same week of 1926.

WEEKLY BUSINESS INDICATORS
(Weeks ended Saturday)
(Relative numbers, average 1923-1925 100)

	1927	1926
Bituminous-coal production	84.6	103.8
Lumber production	105.5	102.3
Beehive-coke production	43.3	74.3
Petroleum prod. (daily aver.)	122.1	98.6
Freight car loadings	....	113.0
Building contracts (27 states)	148.8	141.2
Wheat receipts	130.3	179.4
Coton receipts	28.1	20.0
Cattle receipts	90.8	102.5
Hog receipts	79.0	66.1
Price No. 2 wheat	102.8	104.2
Price cotton middling	66.2	68.4
Price iron & steel comp.	87.9	91.0
Fisher's price index	90.4	96.7
Bank loans and disct. (total)	116.0	112.1
Debits to individual accts.	120.9	117.4
Interest rates, call money	97.0	103.0
Business failures	109.8	87.0
Stock prices	173.0	132.8
Bond prices	108.4	106.2
Interest rates, time money	105.7	100.0
Federal reserve ratio	100.6	96.6

Wool Trade in Optimistic Mood; Markets Continue Good

The wool trade generally is in an optimistic mood and the tone of the wool markets continues good, according to the Canadian Co-operative Wool Growers, Ltd. This, perhaps, can best be illustrated in the following despatches from world centres:

The Wool Record, Bradford, England. "Confidence in wool values appears to be fairly general."

Commercial Bulletin, Boston. "There is a fairly good business being done in wool, although no unusual transactions are reported. Prices are firm and still against the buyer, with a few descriptions slightly dearer. The goods market is steady with indications of a good underlying buying strength. Foreign markets are very firm and buoyant. London closed with prices averaging close to 5 per cent. above the close in May."

The U. S. Department of Agriculture, Bureau of Agricultural Economics under date of July 23, on the sheep and wool outlook, state: "Domestic wool prices have shown more strength and are expected to show a rising tendency during the next six months, although no considerable increase is expected."

London cables to this office, confirm a favorable wool market there. As in comparison with last year at this time, sales have already been made in Canada, London, Antwerp and the United States. Type samples of all grades now being made at Weston, are being forwarded to these markets, and subject to a continuance of the market as indicated by trade reports, a reasonably early clearance of the 1927 wool clip might be expected.

Heavy Demand for Farm Machinery

Demand for farm machinery this year is going to be the heaviest since 1916 and 1917, to judge from present signs. Haying machinery has been heavily bought while combines and binders are on order in record numbers.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—				
Pig iron, tons (June)	69,437	70,854	403,713	370,864
Steel, tons, (June)	59,940	81,277	487,310	431,184
Newsprint, cwts. (June)	170,590	158,601	996,673	893,753
Automobiles (June)	19,208	21,751	126,181	124,877
Boots and shoes, pair (May)	1,480,003	1,352,720	7,372,268	6,987,373
Flour, bbls. (Feb.)	**1,231,000**	**1,440,000**	**2,727,000**	**2,862,000**
Construction—				
Contracts awarded (July)	$50,881,200	$33,864,700	$242,205,000	$228,408,300
Building Permits (June)	$18,399,858	$18,718,050	$81,373,619	$78,760,419
Labor—Employment index (July)	108.4	103.7	....	....
Transportation—				
Car loadings (to July 23)	62,440	59,347	1,756,755	1,664,076
C.P.R. gross (June)	$15,270,904	$15,533,968	$88,842,564	$85,227,786
C.P.R. net (June)	2,264,452	2,827,103	13,012,299	13,956,687
C.N.R. gross (June)	$22,545,250	$23,114,896	$129,698,814	$125,461,890
C.N.R. net (June)	646,564	2,027,580	14,070,787	15,557,734
Population—				
Emigration (May)	5,259	....	26,775	......
Immigration (May)	23,941	18,620	59,382	36,113
Trade—(June)—				
Imports	$101,029,386	$91,513,173	$533,868,916	$486,945,548
Exports	$105,678,453	$118,188,590	$561,032,354	$604,353,157
Imports of key products (June)—				
Rubber, lbs.	4,672,405	......(12 mos.)	54,856,129	45,656,630
Cotton, lbs.	10,697,443	......(12 mos.)	141,317,616	131,019,961
Sugar, $	4,118,211	......(12 mos.)	42,435,165	34,517,478
Peroleum (gal.)	103,662,009	......(12 mos.)	750,732,872	604,260,965
Coke, tons (June)	57,446	......(12 mos.)	835,169	1,009,726
Exports of key products (June)—				
Newsprint (cwt.)	3,189,893	......(12 mos.)	36,295,169	30,850,671
Automobiles (pass.) (No.) (Mar.)	6.512	8,033	15.405	17,729
Wheat, bus. (June)	15,863,044	27,791,702	105,130,539	94,294,810
Wheat Flour, bbl.	846,700	1,029,490	4,617,670	5,297,623
Finance—				
Failures, number, (May)	127	124	752	715
Failures, liabilities, (May)	2,235,675	2,065,385	11,920,951	11,856,499,784
Bank Debits (June)	$2,880,000,000	$2,584,000,000	$16,018,000,000	$14,541,000,000
Bond sales (June)	78,361,424	59,305,825	258,520,860	351,775,924
Stock Prices index (July 23)	....	....	354.00	179.9
Insurance sales (June)	$45,298,000	$44,634,000	$246,876,000	$228,817,000
Wholesale prices (1913-100))—				
General index (May)	....	....	151.9	156.8
Pig iron	....	....	143.6	144.1
Cotton	....	....	127.2	153.6
Grains	....	....	181.4	188.4
Cattle	....	....	133.9	108.5
Rubber	....	....	64.7	74.2

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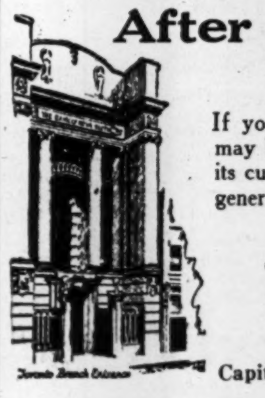

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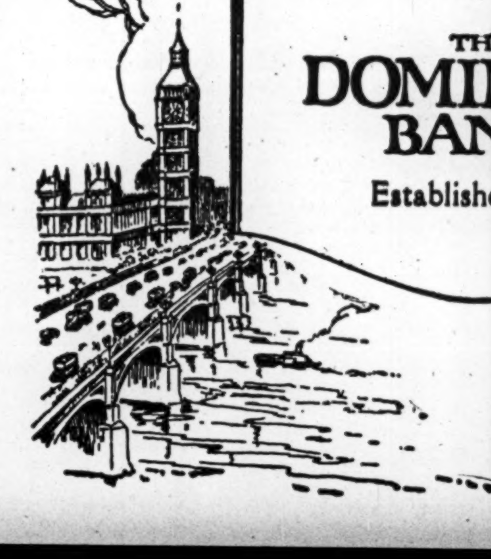

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Best for Financial Statement to Err on Side of Understanding

By HARTLEY WITHERS, Famous British Economist

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"Publicity in industrial corporations" is recommended from the United States on high authority, as advantageous to such corporations and to the business world in general, and it will be remembered that a similar appeal for more information about company matters, as well as many other things, was lately made in England by a distinguished team, headed by the editor of the Economist.

The campaign in America has been opened by Thomas Lamont in an engineering magazine: "Industrial Management," and it would appear from his and other statements, that in spite of all the criticism lately heard of American practice in this respect, many of its leading corporations set an example which might well be followed in other countries. For example, one might note one company's month to month record of unfilled orders, and General Motors, with its quarterly statement of earnings and its monthly reports of output are instances which it would be difficult to match among big British companies.

Speculators Tell in England

In England, by a curious paradox, it is generally the more speculative class of concern which tells its shareholders, or anyone else that wants to know, how it is getting on. Mining companies give monthly and sometimes weekly figures of output, and frequent information about development crushings, assays and so forth, rubber ventures and oil-seekers tell us something, often a great deal, about what they are doing and producing; but among what may be called the more respectable industries, apart from the traffic returns of the railways and the monthly figures published by the chief English banks, British shareholders are generally left to guess how their properties are getting on, from the market movements of their shares, which may or may not be due to operations based on inside information.

Light on the subject is, of course, provided by the annual report and balance-sheet to those who have the necessary skill to draw deductions from the figures, and faith enough in their own perspicacity to believe that their deductions can be relied on. But the difficulty of drawing inferences from balance sheets and profit and loss accounts of industrial, commercial and transport enterprises, and even of many financial concerns is so great, that their figures have to be approached with extreme caution; because in all these cases we are likely to find assets set forth the value of which must necessarily be a matter of opinion. Land and buildings, plant and machinery, stock in trade or inventories as they are called in America, trade debtors, goodwill when it is shown—all these things have to be valued by the directors and managers and their treatment of them has a considerable influence on the amount of the net profit shown.

Understatement Is Lesser Evil

If the responsible authorities take a cautious and conservative view of the value of these doubtful assets and devote a generous amount of the profits to writing them down, then there will be less net profit shown and less to distribute in dividend. This policy is, of course, in the best interests of the company, and its shareholders and is usually pursued by the boards of those which are well financed. If the directors are bound to err—and they can hardly be expected to guess right about the value of property the real value of which can only be determined by actual sale, and of debts the value of which will only be certain when and if they are repaid—then it is certainly better that they should err on the side of under-statement; but the fact that they do so necessarily means that the figures which they publish are misleading.

When the wind blows the other way and doubtful assets are deliberately or innocently taken at values which are too high, it follows that the profits which are apparently earned are overstated, and the position of the company as shown by the balance sheet is given an appearance of unreal prosperity.

These difficulties are not in any way reduced by the employment of professional accountants to audit company figures, though for other reasons it is very desirable that their services should be used. They cannot be expected to be expert valuers of land, buildings and machinery, and even if they were, an expert valuer is just as likely to be wrong as anybody else; and professional auditors know less than the managers about the value of stock in trade, and the solvency of trade debtors. Skill and long practice give them a keen nose for any change for the worse in bookkeeping and financial policy, but they are so far from being able to say with certainty that the assets of a balance sheet are correctly valued, that it has not yet been decided what the values put upon assets are supposed to mean.

Some accounting authorities—most, I think, of those who have expressed views on this subject in England—maintain that it is a complete mistake to suppose that the values set against the assets are those at which the assets would be correctly valued, according to the prices of to-day; according to this view, they are merely a record of the sums spent or lent by the company, less such amounts as the directors have thought fit to write off them. This is a very logical view, and reduces the whole question to one of extreme simplicity; but it leaves a balance sheet without any practical meaning, because it is quite possible, on these lines, for a building or a shop, for example, to stand at a considerable figure among the assets, when it is in fact really a liability, because much money will have to be spent on its reconstruction before profits can be earned in it.

Others consider that a balance sheet ought to be a real guide to shareholders as to the value of their property. But when they are asked whether, this being so, land and buildings which may have risen in value should be written up, they usually contrive to evade the question. From all which it follows that though publicity is an excellent thing, it is just as well to decided what we want to have made public.

Making Your Will

A Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Fourteenth Article: TRUSTEE INVESTMENTS

By RALPH C. GEDDES.

There is a heavy responsibility resting upon a trustee in the handling of trust funds. Primarily, he is personally liable for any loss that occurs through the fraud or negligence of himself or his agents, and also through any error of judgment even though this does not amount to negligence.

It is obvious why trustees should be held liable for fraud or negligence, but in the matter of exercising their judgment this might appear to be a hardship. To protect them in this respect each province has, as part of its Trustee Act, enumerated certain securities in which trustees shall invest trust funds if any other authority to deal with them is lacking. Should they invest moneys outside of this class of security without such express power given in the will or deed to do so, they must bear the risk of loss; and no trustees with a proper sense of their responsibilities are going to take this gratuitous burden upon themselves.

Protect Beneficiaries

This designation of the "trustee securities" has also the effect of being a safeguard to the person for whom the funds are held in trust, since the investments authorized are all those in which there is the very least danger of loss. Of course, the principle of "the less the risk the less the return " applies. However, where beneficiaries are concerned, safety of capital and certainty of income are the most important considerations. Yet this does not mean that trust funds will yield the smallest possible return. Any trustee has the opportunity to invest as much of the money as possible in first mortgages, if he can get ones of proper quality, and such mortgages will give as high a yield as the better class of industrial and public utility bonds.

Naturally, the trustee who has the greatest facilities for placing moneys in carefully selected mortgages and the more efficient machinery for collecting both interest and principal, is going to get a higher average return on the funds than the trustee who has not the time or the opportunity to seek this kind of investment and who, therefore, confines himself entirely to those securities which are more easily handled, but whose yield is lower in consequence. This is a very strong argument for placing trust moneys in the hands of a trust company, any one of whom has a highly developed organization for making and taking care of mortgage loans.

May Not Start With Trustee Shares

As pointed out elsewhere in these articles, that part of an estate which is composed of sound securities does not need to be converted into cash as a preliminary to setting up a trust fund. As a matter of fact, securities of whatever kind can form the capital of the fund; but, since a trust is usually designed to produce a sure and steady income, only good investments can be relied upon for this purpose. If it is a living trust to be established, the settlor can see to this in his lifetime; but, if the trust is created under a will, the trustee should be given discretion as to which securities he shall hold and which shall be replaced with better ones. Thus, it is not necessary or advisable for anyone to postpone making his will until he has got the assets of his estate into a more satisfactory form. The trustee, given the power, will attend to this as soon as it can be done without sacrificing the assets which come into his hands.

What Are Trustee Securities?

Just what are, and what are not, "trustee securities" is a question upon which a large number of men appear to have rather hazy ideas. Each province has its own "trustee act," but they have all practically the same standard, and it may be interesting to enumerate briefly the securities that are authorized under the "Ontario Act." These are as follows:

(1) The debentures, bonds stocks and other securities of the Dominion of Canada or guaranteed by it, or of any province in Canada or guaranteed by any of them, or of the United Kingdom, or of any municipal corporation in Canada including debentures issued for public school or separate school purpose or guaranteed by any municipal corporation in Ontario;

(2) Local improvement debentures of municipalities in Canada when authorized by the province concerned;

(3) First mortgages on improved lands held in fee simple in Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia, provided that no more than one half the value of the property is advanced;

(4) Deposits with, or the debentures of, certain loan and mortgage companies which are approved as complying with certain conditions;

(5) The guaranteed investment of any trust company licensed or incorporated in the province for guaranteed investment.

It will be seen that there is very little to question in the safety of such investments as these. Since only a loan of 50 per cent. on real estate at its proper valuation is authorized, mortgages have ample security if the locality in which they are taken is carefully scrutinized. Therefore, with such diversification as the needs of the trust may require, it is possible to get a very satisfactory return on the whole of the trust fund, and anyone can rest assured that when he creates a trust that the highest return is going to be obtained on the moneys that is consistent with safety.

The Trend of Business

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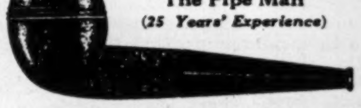

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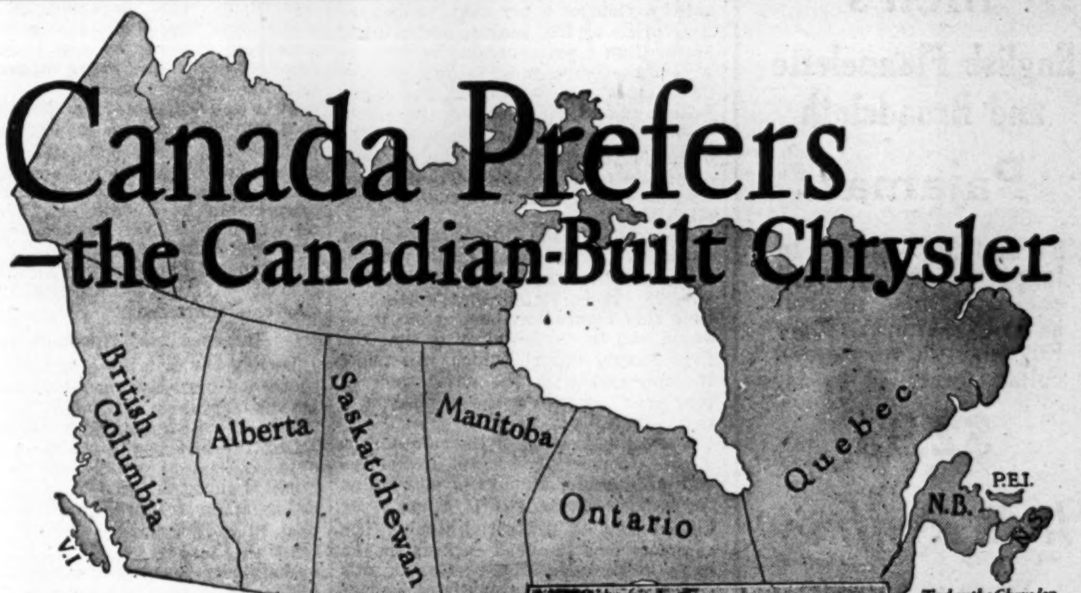
SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh and Branches.
IRELAND—Northern Banking Co., Limited, Belfast and Branches.

Agents in FRANCE—Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

Canada Prefers —the Canadian-Built Chrysler



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— now made largely of Canadian materials, by Canadian craftsmen, in Canadian plants

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TORONTO 2

HIRAM WALKER PROFITS PLACED AT $6.50 SHARE

This is Three Times Dividend Rate Recently Established

Information that comes from a good source is to the effect that earnings of Hiram Walker's for the current year may run well in excess of current estimates. The placing of the stock on a $2 dividend basis suggested the investors that the company was probably earning about double that amount or anywhere from $4 up.

It is now said, quite unofficially, that the company has already earned $3 a share this year and this after allowing for all expenses, such as depreciation, taxation, etc.

Earnings for the year should run to about $6.50. As the company is spending large amounts on equipment and plant and is paying considerable sums off the bank loan of $4,000,000 which was shown to be outstanding at January 1, the dividend distribution is likely to be maintained at a conservative basis.

These earnings represent a very considerable advance upon earnings of the former company, which earned at the equivalent of $3.75 a share on the new stock.

This initial dividend, which is 50 cents for three months' period payable December 15 to shareholders of record November 30, 1927, is regarded as a comparatively easy distribution for the company to take care of. It will involve the payment to shareholders of a sum of $200,000 every three months, or $800,000 every year on the outstanding capital.

The $2 annual rate of dividend indicates a yield of 8 per cent. on the initial price of the shares, and a little better than 4 per cent. on the price at which they are now selling on the Canadian stock exchanges. The slight falling off in the price of the stock, following the announcement of the dividend rate, reflected the street's disappointment on the part of a few who had hoped that the initial dividend might be $3.

According to the first balance sheet issued by the company at the end of 1925, bank loans were shown at $4,000,000. It is stated that since this time this figure has been greatly reduced and the expectation is that the first annual report, which will make its appearance in the early part of next year, will show these loans at a very low figure.

The capitalization of the company is simple, consisting of an authorized and outstanding amount of 400,000 no par value common stock. There is no funded debt or preferred stock. The company was financed entirely on the basis of the sale of a portion of this common stock to the public at a price of $25 per share.

The outlook is regarded as bright. The management has been aggressive in developing its sales scope. The organization is credited as being particularly well placed with regard to its supply of raw materials, as well as its inventories of maturing spirits.

Christie Brown Sales Are Record

Christie, Brown & Co. is enjoying the best business in its history, authoritative reports state.

Stock has not been very active of late, only one sale, for 200 shares, being recorded since the middle of July. This went through at 61, somewhat under the previous high of 64 reached in June when there was a report that National Biscuit Company had purchased the company at $70 a share.

Stock Market

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Aug. 3	98.6	97.1
Week of July 27	98.6	96.6
Month of Aug., 1926	83.0	75.7
9 Bank Stocks		
Week of Aug. 3	$255	$254
Week of July 27	256	254
Month of Aug., 1926	226	222
10 Public Utilities		
Week of Aug. 3	111	110
Week of July 27	111	109
Month of Aug., 1926	97	93

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	3	6	..	9
Paper	6	5	4	15
Steel	5	9	24	38
Foodstuffs	8	11	24	43
Utilities	8	5	16	29
Tractions	4	2	10	16
Industrials	10	16	37	63
Textiles	2	3	11	16
Total	46	57	126	229

Moir's New Plant Soon to Open in Halifax

Good progress is being made on the new plant of Moirs Limited, that is being erected at Halifax at a cost of $400,000. It will shortly be placed in operation, increasing the capacity and in general the efficiency of the company. It is understood that the company's business is showing a satisfactory increase.

Moirs Limited, which is declared to be the largest manufacturer of high-grade chocolates in Canada, is now in its second year of operations under present conditions. The first annual report, covering the year 1926, showed net profits of $260,245, and after depreciation of $116,975, bond interest of $65,000, write-off of organization expenses of $12,207, and a reserve for income tax of $5,885, there remained a surplus of $60,177, or about $4 a share on the capital stock of 15,000 shares of $1 par value.

Men's
English Flannelette and Broadcloth
Pajamas

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Iron Industry in Prosperity and Depression	8.25
Personality and Business Ability Analysis	5.50
Principles of Money and Banking	6.75
Principles of Selling by Mail	6.75
Public Utility and Finance	8.25

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Montreal Properties Are Making Fair Earnings

Seems to be No Danger of Any Real Over-Supply of Modern Apartments, Office Space or Retail Store Space in City

From Our Own Correspondent.

MONTREAL. — The apartment house and office building rental situation in Montreal is fairly satisfactory as viewed from the angle of the holder of securities in these undertakings. There are vacancies in most of the apartment houses, but the actual percentage of rentable space unoccupied is small. The demand for office space is by no means greater than the supply and there are vacancies in most office buildings. However, the recently-erected Castle building on St. Catherine Street has done very well and it seems to be generally anticipated that the buildings at present under construction will have no difficulty in leasing sufficient space to meet the interest on their bonded debts.

In Montreal there are over 600 apartment houses — excluding, of course, duplex houses and those apartments which are in the tenement class. Investment interest, however, in apartments in Montreal is confined to a few of the larger and better class apartments and the situation affecting these apartments is practically confined to a consideration of only a few of the larger and better-class, privately-owned apartment houses.

Only a Few Affected

In other words, the rental situation in about 20 or 25 of Montreal apartment houses has a bearing on the investment of funds in apartment house mortgage bonds in the city.

While the Chateau apartments, owned and operated by the Montreal Apartments, has no vacancies and has all its apartments leased on a three or five-year basis, it is practically the only first-class apartment in Montreal which is in this happy situation. Other apartment houses such as the Drummond, the Acadia and the Linton have vacancies. From a careful study of the better-class apartment houses in the city, carried out by The Financial Post, it has been found that vacancies run from two to seven per cent. of the total rentable floor space. Perhaps a figure of five per cent. would be a liberal estimate of the average unoccupied space in the higher class apartment house dwellings in Montreal.

Allow 10 Per Cent. Vacancies

In making up their estimates of revenues, the apartment house managers allow ten per cent. for vacancies. Furthermore, bond issues are sold on this basis. Thus, it can be seen that with vacancies of about five per cent., the apartment house situation in Montreal may be considered satisfactory. That there are vacancies does not indicate that the supply exceeds the demand, for if practically every apartment were occupied it would mean that the demand was well in excess of the supply and that some families were occupying apartments unsuited to their needs.

It is well worth noting, though, that in a few scattered instances, some reduction in rents is being made to fill up the buildings. Such a reduction in rentals would apply only to the odd apartments in a building. There is no tendency, as yet, toward any general rent reductions—especially in the best type of apartments. This is evidenced in the experience of the Chateau apartments.

Increase Not Spectacular

During the last three or four years, there has been a tremendous increase in the rentable apartment space in Montreal. But, contrary to general belief, the increase in the more up-to-date apartment space has followed fairly steadily the growth of the population when followed back over the past 10 or 15 years.

In the larger cities, the trend is undoubtedly towards apartment house life. Life is now too hurried for the business man to devote his best energies to his business and at the same time to take an interest in his house and grounds. The motor car takes people away from the cities more frequently and the ease with which an apartment can be closed up for a period of from one day to one week, contributes towards the trend towards apartment living. Then again, the time taken traveling from business sections and the suburban areas is more than many men can afford and consequently there is a movement towards the centrally-located apartment house.

Office Situation

The office building situation in Montreal is somewhat different to that which pertains in the apartment house field. As has been said, there are many office buildings in Montreal with vacancies—but most of these vacancies are found in the older buildings. Business organizations seem to desire up-to-date buildings for their offices. The Insurance Exchange Building first found difficulty in renting its space, but it has slowly filled up and is now in a satisfactory position. It is understood, also, that when the Keefer Building was first erected, rentals were slow at first. But during the past two years, it, too, has filled up. The successful results which have attended the erection of the Castle Building have given an added filip to the erection of further office buildings in the up-town sections of the city.

Retail Store Situation

As far as the erection of the more commercial type of building is concerned, the success which has attended the St. James Building indicates that when properly located, more than satisfactory profits are obtained from this type of venture. Other buildings catering to the retail, automobile and similar businesses appear to be doing a satisfactory business.

Viewed entirely from the investment angle, it can be said that the rental situation in Montreal seems to be satisfactory. While the demand for space of all kinds is most certainly not in excess of the supply, yet there seems to be no danger of any real over-supply of modern apartments, office space or retail store space. Thus it can be said that the outlook is certainly not gloomy, and it can be anticipated that the companies engaged in the business of leasing real estate will continue to make fair profits.

ONTARIO STEEL'S BUSINESS LARGER, PROFITS REDUCED

Company's Financial Position Strong Despite Plant Additions

A condition that is noticed in a number of Canadian plants was experienced by Ontario Steel Products during the year to June 30. The annual report says: "Production and deliveries from your various works again show an increase over any previous year, but the margin of profit was reduced. Tonnage output for the past year showed an increase of more than 20 per cent. over 1926, and it is expected that the turnover for the current year will show a further gain."

Net profits for the year, after depreciation amount to $158,489, as compared with $165,650 last year.

The report points out that: "The management is giving careful study to advanced methods of manufacturing, both scientific and mechanical, with the object of further improving the quality of our goods and effecting economies in production costs."

Better Financial Condition

Company improved its financial condition during the year, increasing working capital and retiring $23,500 of bonds.

Directors State:

"Anticipating increased demands in motor car and motor truck springs, your directors at a recent meeting authorized a substantial extension to our central spring works at Oshawa, and same is now nearing completion.

"Our sales of shovels, spades and scoops, both in domestic and export markets, have shown an encouraging increase during the past year, and your directors are contemplating some expenditures towards further improvements and modernization of these Gananoque works.

"Some reduction will be noted in amount of securities on hand, and further encroachment upon these reserves may be made during the current year in order to take care of balance of expenditures as outlined above."

The profit and loss figures for the past three years compare as follows:

	1926-27.	1925-26.	1924-25.
Profits	$224,144	$227,619	$219,956
Deprec.	65,654	61,968	61,968
Balance	158,490	165,651	158,258
Bond int.	23,910	25,260	26,550
Balance	134,580	140,391	131,780
S. F. Prov.	24,090	22,740	24,450
Balance	110,490	117,651	109,988
Pfd. divd.	52,500	52,500	52,500
Balance	57,990	65,151	57,488
Com. divd.	30,000	30,000	30,000
Surplus	27,990	35,151	27,488
Prev. surp.	*463,153	*435,503	*415,516
P. and L. bal.	$491,143	$470,654	$443,004

*Less bonus of $7,500 on common for preceding year.

Figures showing the company's working capital position:

	June 30 1927.	1926.	1925.
*C. assets	$1,120,169	$1,067,674	$964,014
†C. liabs.	140,200	163,614	137,495
N. wk. cap.	$979,969	$904,060	$826,519

*Including Sinking Fund Bonds.
†Excluding Reserve for Bad Debts.

WOOD KIRKLAND OPERATING

Wood Kirkland has resumed operations. The shaft will be sunk to 1,000-ft. New Yorkers are financing the work.

UNLISTED SECURITIES

	Bid	Asked
Burns, P., pref.	98½	..
Brooks Motor, 1 pref. & 1 com.	3¾	4¾
Can. Machinery, com.	5½	8
Can. Westinghouse, com.	150	170
Chase, A. W., com.	5	8
Do., pref.	..	75
Dom. Combing Units	12	..
Fanny Farmer, com.	30½	32
Do., pref.	27	28
Farmers Dairy, com.	78	..
Farmers Dairy, pref.	99½	103
Goodyear Tire, com.	160	170
Goodyear Tire, 6% pref.	99½	100
Goodyear Cotton, pref.	97	..
King Edward Hotel, Deb. A.	69	72
King Edward Hotel, Deb. B.	59	61
Loew's Buffalo, pref.	32	37
Nat. Grocers, 1st pref.	95	..
Nat. Grocers, com.	..	3
Mortgage Discount, pref.	6½	7¼
Toronto Finance, pref.	3¼	..
Insurance—		
British America	30	..
Canadian Fire, Full Pd.	110	...
Canada Life	925	...
Canada National	17	..
Capital Life, 20% Pd.	22	25
Casualty of Canada, Full Pd.	180	...
Commonwealth, 10% Pd.	20	23
Confederation Life, 10% Pd.	70	...
Continental Life, 20% Pd.	54	58
Crown Life, Full Pd.	200	...
Dom. of Can. Guar. & Accident	300	315
Dominion Fire	105	...
Dominion Life, 50% Pd.	380	...
Excelsior Life 30% Pd.	75	...
Federal Fire, 25% Pd.	30	...
Fidelity of Canada, Full Pd.	125	135
Great West Life, Full Pd.	420	440
Imperial Life, 85% Pd.	375	...
Manufacturers Life, 40% Pd.	325	...
Monarch Life, 10% Pd.	39	42
Montreal Life, 20% Pd.	54	58
National Life, 25% Pd.	72	74
Ontario Equitable, 10% Pd.	31	34
Security Life, 40% Pd.	..	16
Sovereign Life, 25% Pd.	39	43
Sun Life, 75% Pd.	1000	1050
Toronto Casualty	29	31

INVESTMENTS

Federal and Provincial Government and Municipal Security offerings will be submitted on request

Public Utility			
Bell Telephone Co. of Canada	5%	102.50	4.85%
Canada Northern Power Corp. Ltd.	6½%	103.00	6.20%
Canadian Pacific Railway	4½%	96.50	4.85%
East Kootenay Power Co., Ltd.	7%	105.00	6.46%
Gatineau Power Company	5%	97.25	5.18%
Manitoba Power Company, Ltd.	5½%	100.00	5.50%
Montreal Island Power Company (Carrying warrants to purchase 2 shares Common with each $1,000 bond)	5½%	101.00	5.43%
Montreal Tramways Company, Ltd.	5%	99.75	5.02%
Montreal Tramways Company, Ltd.	5%	96.50	5.25%
Montreal Light, Heat & Power	5%	101.00	4.95%
Northern Canada Power, Ltd.	6%	102.75	5.75%
Northwestern Utilities, Ltd.	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd	6%	105.00	5.60%
Ottawa River Power Co., Ltd.	6½%	104.00	6.20%
Southern Canada Power Co., Ltd.	5%	99.50	5.05%
Winnipeg Electric Co., Ltd.	6%	101.00	5.90%
Industrial			
Canada Paper Company	6%	101.00	5.90%
Canada Steamship Lines	5%	100.25	5.40%
Canada Steamship Lines	6%	99.00	6.15%
St. Lawrence Paper Mills, Ltd.	6%	99.00	6.10%
St. Lawrence Paper Mills, Ltd. (Cum. warrants)	6½%	101.50	6.26%
Windsor Hotel Company	6½%	105.50	5.95%
Preferred Stocks			
Eastern Dairies, Ltd.	7%	99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd.	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd.	7%	100.00	7.00%
Power Corporation of Canada, Ltd.	6%	96.50	6.22%

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PURE GOLD EARNS DIVIDENDS AND 40c.

Substantial Surplus Over Requirements in Twelve-Month Period

Twelve months' profits of Pure Gold Manufacturing Company (for the year to June 30, 1927) were considerably in excess of profits for the preceding nineteen months, covered by the annual statement issued a year ago.

Net available for dividends, after all charges, including depreciation and allowance for organization expenses, was the equivalent of $1.90 a share. The previous financial statement covered the period from December 1, 1924, to June 30, 1926, and the earnings were equal to $1.32 for the nineteen months.

Profits from operations are shown at $119,004, against $82,744 in the previous statement. The sum of $9,500 was set aside for depreciation, $8,016 provided for taxes, $5,035 written off organization expenses and $75,000 paid out in dividends, leaving surplus profit for the year of $21,453.

Working capital is up slightly at $286,351, contrasted with $280,286. Inventories are higher at $402,809 and cash lower at $13,412. Accounts payable of $238,694 constitute the only liability other than those to the shareholders.

A comparison of the profit and loss account for the year ended June 30, 1927, with the figures for the period from December 1, 1924, to June 30, 1926, follows:

	1927	1926
Net profit	$119,004	$ 82,744
Depreciation	9,500	10,500
Taxes	8,016	5,953
Organiz. exp.	5,035	......
Balance	96,453	66,291
Dividends	75,000	100,000
Year's surplus	21,453	33,709
Bal. forward	21,836	55,546
Total surplus	43,289	21,837

Pure Gold stock has shown a narrow movement sincing listing in Toronto. This is shown in the following figures:

	High	Low
1925	23	18
1926	27	21½
1927 (to date)	21½	19½

Stock is closely held, only about a third of the shares being in the hands of the general public.

The public issue was made in January, 1925, at $24.50 a share.

Dividends are being paid at the rate of $1.50 a year, and at $21.50 the stock gives a yield over 7 per cent.

Heads Macaulay Club

MONTREAL.—The heavy increase in the writing of new business by the Canadian insurance companies has naturally extended to the totals of individual underwriters. Announcement has just been made by the Sun Life Assurance Company that the presidency of the "Macaulay Club" has gone to John W. Gordon, of St. Catharines, Ontario, who had piled up a total of more than $1,500,000 of new life assurance for the year ended June 30, 1927. The second on the list, ex-officio vice-president, is E. Lord, of Japan, a country in which the Sun Life for years past has enjoyed very large business.

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CANADIAN FURNACE CO., Ltd.
Manufacturers of
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PORT COLBOURNE CANADA

CANADA BREAD CO. EXPERIENCES BEST YEAR IN HISTORY

As Result 1927 Showing, Common Shares Placed on $6 Basis

As was expected, the annual financial statement of the Canada Bread Co., for the year ended June 30th last, showed a substantial improvement in all departments over the previous year.

Company Earned $13.33 a Share on Common Stock and paid $5

Revenue, after charging bond interest and 1927 Federal income tax, amounted to $802,802 and interest from investments $30,552, making a total of $833,354, as compared with $813,088 in 1926. After taking care of depreciation, dividends on common and preferred stock, together with balance at credit June 30th, 1927, the surplus account stands at $1,500,991. In the previous year, this item was carried at $1,292,884.

In his report to the shareholders, Mark Bredin, president of the company, says: "This has been our company's best year, both in business and profits, and we have closed the year in a strong liquid position, as evidenced by our report; our cash on hand and in bank showing an increase over 1926 of $110,476.32, while our accounts payable show only an increase of $52,585.04. Our investments are increased from $424,545.00 to $501,407.49, and our working capital has been increased from $564,466.02 to $802,168.64.

"As a result of our showing, in both manufacturing profits and interest from investments of $833,355.27 on our year's operations, your directors felt justified in increasing the dividend on the no-par shares and placing them on a $6.00 per share annual basis by declaring dividend at $3.00 per share due Sept. 1st, 1927, to shareholders at close of business on Aug. 15th, 1927.

"During the year, we have completed the erection of the five gas-heated traveling ovens contracted for in 1926, and referred to in our last annual report. We have also completed and are now occupying our distributing depot at Oshawa. This venture, we look upon as producing good results. All our buildings and equipment are constantly kept in the best possible condition."

The profit and loss statement of the company for the past three years is appended:

Profit and Loss Account

Yr. end. June 30	1927	1926	1925
Profits	$802,802	$790,812	$722,237
Int. from invest.	30,553	22,276	13,756
Total income	833,355	813,088	735,993
Less—			
Depreciation	237,748	223,473	195,829
Bond purchases	......	......	12,500
Taxes	......	......	47,499
Balance	595,607	589,615	480,165
Stock div.	......	......	25,000
1st pfd. div.	87,500	87,500	87,500
"B" pref. div.	175,000	175,000	......
Common div.	125,000	......	125,000
Goodwill	......	200,000	......
Surp. for year	208,107	127,115	242,665
Prev. surplus	1,292,884	1,165,769	923,104
Total surplus	1,500,991	1,292,884	1,165,769

Bonds	Bid	Asked
Bfo.-Ft. Erie Bdge 7s '55	106	107½
Do., 8s '45	106	107½
Buff Gen Elec 1st 5s '39	104	...
Bfo N & E Pow 5s, '30	102	104
Lockport L H & P 5½ '54	102½	104
N F 1st & Com. 6s 1950	105	106
Niag. Lock & Ont. Pf.	113½	115
Niagara Falls Pw. pf	28	28¾

Dividends Declared

Company	Rate	Date	Record
Penmans, com.	$1	Aug. 15	Aug. 5
Do., pref.	1½%	Aug. 15	Aug. 5
McColl Bros. com.	20c.	Sept. 1	Aug. 15
Do., pref.	1¾%	Sept. 1	Aug. 15
Inter. Paper com.	60c.	Aug. 15	Aug. 1
Bank of Toronto	3%	Sept. 1	Aug. 15
Royal Bank	3%	Sept. 1	July 30
Bank of Commerce	3%	Sept. 1	Aug. 16
McIntyre Mines	5%	Sept. 1	Aug. 1
Famous Players, pfd.	$2	Sept. 1	July 30
Brazilian Tr., com.	1½%	Sept. 1	July 30
Belding, pref.	1¾%	Sept. 15	Aug. 31
Para. Osh Theat. pfd.	1¾%	Aug. 15	July 30
Can. Converters	1¾%	Aug. 15	July 30
Can. Cement pfd.	1¾%	Aug. 16	July 31
Pure Gold Mfg.	50c.	Aug. 15	July 30
Brading Brew.	50c.	Aug. 15	July 30
Canada Bread com.	$3	Sept. 1	Aug. 15
Lake of Woods com.	3%	Sept. 1	Aug. 20
Do., pref.	1¾%	Sept. 1	Aug. 20
Massey-Harris, pfd.	1¾%	Aug. 15	July 30
Bank of Montreal	3%	Sept. 1	July 31
Hollinger Mines	2%	Aug. 12	July 27
Mansfield Theat. pfd.	7%	Aug. 15	July 30
Ont. Steel com.	1+1%	Aug. 15	Aug. 1
Do., pref.	1¾%	Aug. 15	Aug. 1
Dom. Bridge	1%	Aug. 15	July 30
National Brick pfd.	1½%	Aug. 15	July 31
Wayagamack	75c.	Sept. 1	Aug. 15
Page-Hersey, com.	75c.	Oct. 1	Sept. 20
Do., pref.	1¾%	Oct. 1	Sept. 20
Hiram Walkers	50c.	Dec. 15	Nov. 30
Canadian Oil	25c.	Aug. 15	Aug. 1
Do., pref.	2%	Oct. 1	Sept. 15
East Koot. pr. pfd.	1¾%	Sept. 15	Aug. 31
Can. Car pref.	1¾%	Oct. 10	Sept. 26
Cosmos Imp. pref.	1¾%	Aug. 15	July 30
Bk. Can. Nationale	2½%	Sept. 1	Aug. 15

Stock Redemption

Dom. Rad. pfd. Sept. 1, 15,484 shs. at 101.75

McColl Bros., conv., pref. Sept. 1, at 107.50.

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ONTARIO STEEL PRODUCTS COMPANY LIMITED

Annual Report of the Board of Directors

TO THE SHAREHOLDERS:

Net profits for the year, after Depreciation, amounts to $158,489 as compared with $165,650 last year. Production and deliveries from your various works again shew an increase over any previous year, but the margin of profit was reduced. Tonnage output for the past year shewed an increase of more than 20% over 1926, and it is expected that the turnover for the current year will shew a further gain. The Management is giving careful study to advanced methods of manufacturing, both scientific and mechanical, with the object of further improving the quality of our goods and effecting economies in production costs. Anticipating increased demands in motor car and motor truck springs, your Directors at a recent meeting authorized a substantial extension to our Central Spring Works at Oshawa, and same is now nearing completion.

JONES SHOVEL COMPANY: Our sales of Shovels, Spades and Scoops, both in Domestic and Export markets, have shewn an encouraging increase during the past year, and your Directors are contemplating some expenditures towards further improvements and modernization of these Gananoque Works. $23,500 of your First Mortgage Bonds were retired on the 2nd July; with a corresponding reduction in Goodwill Account. Your Company now holds $53,900 of these bonds for further Sinking Fund purposes. Some reduction will be noted in amount of Securities on hand, and further encroachment upon these reserves may be made during the current year in order to take care of balance of expenditures as outlined above. Net quick assets over current liabilities amount to $979,968.75, as compared with $904,060.03 last year Dividends on Preferred and Common Stock have been declared on same basis as last year, payable 15th August to stockholders of record 1st August, 1927.

All of which is respectfully submitted.

On behalf of the Board of Directors.

W. WALLACE JONES, President.
W. T. SAMPSON, Director.

Gananoque, August 9, 1927.

Consolidated Balance Sheet 30th June, 1927

FIXED ASSETS:			
Real Estate, Buildings, Plant and Power Rights		$1,699,552.75	
Goodwill		330,272.68	$2,029,825.43
LIQUID ASSETS:			
Cash		102,487.11	
Bills and Accounts Receivable		344,972.83	
Inventories		395,389.63	
Securities:			
Sinking Fund Assets $53,900.00 O.S.P. Bonds	$ 49,216.40		
Pension Fund Assets $37,000.00 Par Value	36,975.95		
Victory and Other Bonds $190,840.00 Par Value	190,917.70		
Other Investments	210.00	277,320.05	1,120,169.62
DEFERRED CHARGES TO OPERATIONS:			
Advances, Unexpired Insurance, etc.			15,723.09
			$3,165,718.14
CURRENT LIABILITIES:			
Bills and Accounts Payable		89,648.94	
Receiver-General of Canada for Income Tax		17,971.93	
Bond Interest to 2nd July, 1927		11,955.00	
Provision for Pfd. Dividend payable 15th August, 1927		13,125.00	
Ord. Dividend payable 15th August, 1927		7,500.00	140,200.87
RESERVES:			
Special for extraordinary Inventory Fluctuations		50,000.00	
Bad Debts, etc.		48,810.82	
Pension Fund		37,396.70	
Depreciation		523,166.07	659,373.59
First Mortgage Bonds 6% due 2nd July, 1943		600,000.00	
LESS Bonds redeemed by Sinking Fund		225,000.00	375,000.00
CAPITAL STOCK:			
7% Cumulative Pfd. Shares—Authorized and Issued		750,000.00	
Ordinary Shares—Authorized $2,000,000.00—Issued		750,000.00	1,500,000.00
PROFIT AND LOSS ACCOUNT:			
Balance as at 1st July, 1926	$ 470,653.74		
Less Bonus dividend on Ord. Shares.	7,500.00	463,153.74	
Add—Profit for year	224,144.28		
Less—Depreciation	65,654.34	158,489.94	
		621,643.68	
Less—Bond Interest	23,910.00		
Pfd. Dividends paid and provided for	52,500.00		
Ord. Dividends, paid and provided for	30,000.00	106,410.00	
		515,233.68	
Less—Provision for Sinking Fund		24,090.00	491,143.68
			$3,165,718.14

We beg to report that we have audited the Accounts of the Ontario Steel Products Company Limited, for the year ending 30th June, 1927. We have obtained all the information and explanations required by us. We certify that in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Montreal, 11th July, 1927.

Stock Market Record

WEEK ENDING AUGUST 2

	Div. Rate	Yield July 30	High for wk.	Low for wk.	Close Aug. 2	Close July 26	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.03	259	257	259	257¼	110	263½	228
Dominion	12+1	5.34	243	242	242	243	25	244	217
Can. Nationale	10	5.84	171	171	171	170	42	171	160½
Imperial	12+1	5.67	229	228	228	229	119	236	214
Montreal	12+2	4.63	304½	301	301½	304	148	306	272
Nova Scotia	16	4.78	336	332	335	335¾	119	341	298
Royal	12+2	4.91	288	285	285	285½	278	291	257
Standard	12	5.30	221½	221½	221½	226½	10	227½	196
Toronto	12	4.83	248½	247	248½	248	126	250	227
Paper—									
Abitibi, com. (no par)	5	4.97	101½	99	101	100	1262	101½	82
Do. pref.	7	6.03	...	...	...	...	...	119	113
Belgo-Can., pref.	7	6.79	103¼	103	103	102¾	104	105	101
Brompton (no par)	$2	5.71	35½	35	35	35½	800	36¾	31
Fraser, pref.	7	7.21	97	96½	96½	97	61	99⅞	96½
Inter. Paper, c. (no par)	$2.40	4.44	54⅞	50	54	50½	39700	60⅞	39½
Do. pref.	7	7.03	99½	98⅞	99½	...	9	99½	98⅞
Laurentide	6	6.12	98½	95	97½	95	3156	110¾	90
Price Bros., com	2	3.33	60	60	60	54	40	63	51¼
Do. pref.	6½	6.37	102	102	102	102	5	104	100
Smith, Howard, com.	.	...	60	60	60	59½	15	68¾	59
Do. pref.	8	7.17	...	...	...	...	...	112	103½
Span. River, com.	7	7.00	102	100	101	102	609	102¾	97½
Do. pref.	7	5.95	117½	117	117	117¼	50	117½	110¼
Wayagamack (no par)	$3	5.04	60¼	59½	60	61	285	62¾	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	...	...	...	...	...	1⅜	½
Do., 1st pref.	.	...	22½	21½	22½	22	120	29¼	10
Do. 2nd pref.	.	...	1½	1½	1½	1½	75	4	1
Can. Car & Found., com.	.	...	36¼	36	36	36¼	160	50¼	35
Do. pref.	7	7.95	88	87	87	88	138	94½	86¼
Can. Fairbanks, pref.	6	6.66	...	...	...	...	...	90	80
Can. Forgings, com.	.	...	...	...	...	...	...	27	18
Do. pref.	.	...	...	...	...	...	...	87½	66
C. G. E., com. (par $50)	.	...	...	...	...	...	...	60	49
Do. pref. (par $50)	7	6.03	58½	58	58½	58½	85	61	45
Canada Iron, Com.	.	...	...	...	...	...	...	15	12
Do. pref.	.	...	...	...	...	...	...	60	42
Can. Locomotive, com.	.	...	...	...	...	...	...	48	40
Do. pref.	7	8.53	82	82	82	82	21	89	81½
Carr. Factories, com.	.	...	...	...	...	...	...	¼	¼
Dominion Bridge	442	3.32	180¾	179½	180	181½	285	193½	116¾
Dominion Coal	.	...	77	77	77	77	75	85	69
Dominion Iron, pref.	.	...	1½	1½	1½	1½	35	5	1½
Dom. Radiator, pref.	7	6.96	...	...	...	...	...	101¾	100
Dom. Steel Corp., pref.	.	...	...	...	...	...	...	32	20
Ford Motor	15	...	...	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	...	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	9	8½	8½	9½	15	15	8½
Do. pref.	7	8.23	...	...	...	...	...	95	85
Massey-Harris, C. (no par)	.	...	38½	36½	38	38	7574	42¾	29
Do. pref.	7	6.40	109¼	107½	107½	109	131	109¾	103½
McKin. Ind., c. (no par)	.	...	23¼	23¾	23¾	22½	20	25½	15
Do. pref.	7	7.36	95	94¾	94¾	94¼	9	97	93½
Do. Vot. Trust	..	...	25	24	25	24	400	26¾	15
Ontario Steel, com.	4+1	5.31	94	94	94	94½	25	94½	73
Do. pref.	7	6.66	105	105	105	105	25	105	100
Page Hersey, c. (no par)	$3	4.13	72¾	72	72	73⅛	505	75½	55½
Do. pref.	7	4.82	145¼	143½	143½	145	205	150	116
Pressed Metals, com.	75c.	...	...	...	...	...	...	46¾	34¼
Do. pref.	7	7.77	...	...	...	...	...	90	85
Russell Motor, com.	3	5.00	...	...	...	...	...	60	52
Do. pref.	7	7.36	95	95	95	96¼	11	99	90⅛
Steel of Canada, com.	7	5.18	137	134¼	137	134¼	440	137½	117
Do. pref.	7	5.00	140	140	140	140	2	143	127
Milling and Foodstuffs—									
Alta. Pac. Grain, c. (no par)	.	...	22	21½	21½	21	565	27¼	19½
Do. pref.	7	7.91	89	88	88	88	36	92	85
Arnolds, c. (no par)	.	...	17	16½	16½	16½	60	26	10½
Do. pref.	7	8.53	82	82	82	83	5	95	82
Atlantic Sugar, c. (no par)	.	...	25	24½	24½	25	110	32	21¾
Do. pref.	.	...	...	...	...	...	...	101¼	90
B.C. Fishing, c. (no par)	$1.25	6.75	19¾	18½	18½	18½	439	22	14⅝
Do. pref.	7	8.59	82½	81½	81½	82	155	90	79
Can. Bak., c. (no par)	.	...	29	29	29	28	30	38½	26
Do. pref.	7	7.01	99¾	99¾	99¾	99¾	65	102	97
Can. Bread, c. (no par)	$6	5.00	...	...	...	...	...	120	90
Do. pref. (A)	7	6.03	...	...	...	...	...	116½	108½
Do. pref. (B)	7	6.39	109½	109	109	108	45	112¼	103
Can. Canners, com.	.	...	49⅞	49	49	50	85	63½	21
Do. pref.	5	5.46	91¾	90¾	91	91	262	97	76
Canadian Salt	8	5.97	134	134	134	135	12	136	123
Christie Brown, c. (no par)	$1.20	1.87	61	61	61	64	200	66	38
City Dairy, c. (par $25)	3+1	2.96	136	135	136	133	200	136	79
Do. pref.	7	5.83	...	...	...	...	...	121	112
Cuban Can. Sugar, c.	.	...	...	...	...	...	...	5	1½
Do. pref.	.	...	...	...	...	...	...	37	27
Wm. Davies (A) (no par)	.	...	40	39½	39½	39¾	422	45	25
Do. (B) (no par)	.	...	...	...	...	...	...	19½	9
Dominion Stores (no par)	$2.40	2.90	84½	82	84½	82	795	85½	65
Ham. Dairies, com. (no par)	.	...	...	...	...	...	...	33	24
Do. pref.	7	7.21	97	96	96	96¼	6	98½	96
Inter. Milling, pref.	7	6.73	...	...	...	...	...	107	104
Lake of Woods, c.	12	8.57	140	140	140	140	57	160	130
Do. pref.	7	6.25	...	...	...	...	...	117	110
Loblaw, com. (no par)	$1.25	2.45	51	51	51	50½	17	51	48
Do. pref.	7	6.36	...	...	...	...	...	111	107
Maple Leaf Mill., c.	.	...	61	61	61	61	125	73¼	49
Do. pref.	7	7.33	95½	95½	95½	95	45	101¼	94
Ogilvie Flour, c. (no par)	5	1.83	273	273	273	273	20	290	205
Do. pref.	7	5.60	125	125	125	125	5	125	120¼
Pure Gold Mfg. (no par)	$1.50	7.14	21½	21½	21½	21½	50	21½	19½
Shred. Wheat, c. (no par)	$3	4.68	64	63½	64	63½	40	70½	55
St. Law. Flour, c.	.	...	25	25	25	28½	50	31½	25
Do. pref.	7	8.23	81	81	81	85	1	85	80
Viau Biscuits, c. (no par)	.	...	20¼	17	20	20	170	26	17
Do. pref.	7	7.77	90	89½	90	90	46	92½	83½
W. Can. Fl., c. (no par)	$1.40	5.83	24	23½	23½	24	60	29½	22
Do. pref.	6½	6.43	...	...	...	...	...	103¼	100
W. Groc., c. (no par)	$1	...	...	...	...	...	...	29	18
Do. pref.	7	9.42	...	...	...	...	...	84	74¼
Utilities—									
Bell Telephone	8	5.31	150½	150	150⅛	150	323	158½	137
Calgary Power	.	...	...	...	...	...	...	50	50
Consumers Gas	10	5.53	180½	180	180½	181	73	182	171½
East Koot Pr. (no par)	.	...	...	...	...	...	...	29¼	26
Do. pref.	7	7.36	...	...	...	...	...	98½	95
Inter. Util. (A) (no par)	$3.50	9.21	38¼	38¼	38¼	39½	60	42	28
Do. (B) (no par)	.	...	...	...	...	...	...	7⅝	4½
Jamaica Pub. Ser., pref.	7	6.96	100½	100½	100½	100½	20	100½	97
Laurentide Power	5	4.67	107	107	107	107	60	120	107
Mackay, com.	7	6.16	114	112½	113	113	171	127½	108
Do. pref.	4	5.83	68½	67½	68	69	112	74	67½
Mexican Light, c.	.	...	...	...	...	...	...	44	27
Do. pref.	.	...	...	...	...	...	...	120	77¼
Mont. L.H.&P. (no par)	$2	2.38	84	83	83⅞	83¼	1625	85¾	68⅛
Montreal Teleg. (par $40)	8	5.20	...	...	...	...	...	51½	49
Nor. Mexico Pr., c.	1	...	78	75	78	76	480	83	42
Do. pref.	7	7.56	...	...	...	...	...	93	82½
Ot. & Hull Pr., c. (no par)	.	...	30	30	30	26	10	30	26
Do. pref.	7	7.00	100	100	100	99	5	100	96
Ot. L. H. & Pr., c.	6	5.63	106½	106½	106½	106½	15	108	96½
Do. pref.	6½	6.19	...	...	...	...	...	107½	102
Quebec Power, c.	6	2.29	265	261	265	263	205	311	190
Shawinigan (no par)	$2	2.50	80	78	79	80	3042	93¾	67
S. Can. Pr., c. (no par)	2	2.17	92	92	92	92	2	97	85
Do. pref.	6	6.00	100⅝	100	100	100½	57	102½	99½
Transportation—									
Can. Pacific Rly.	10	5.30	194½	188	193½	188	596	194½	166
Can. Steam., c. (no par)	.	...	36½	36½	36½	36½	25	42	35
Do. pref.	6	6.70	90	87⅛	89⅞	88½	507	94¾	82½
Do voting	.	...	...	...	...	...	...	37½	32½
Tractions—									
Barcelona (par $50)	1	...	56½	56½	56½	54	40	56½	33½
Brazilian, c.	6	3.53	170½	167½	170⅛	168⅝	36966	172	102½
Do. pref.	6	4.22	143	139¾	143	140	1202	143½	104
Detroit Un. Rly.	.	...	...	...	...	...	...	5	2
Duluth-Superior	$2	2.69	26	26	26	26	25	30⅝	25
Illinois Trac., pref.	6	6.09	...	...	...	...	...	98½	98½
Minneapolis S. S.	.	...	...	...	...	...	...	43½	42½
Mexican Trams.	.	...	...	...	...	...	...	21	19¼
Montreal Trams.	10	5.41	185	184½	184½	184	6	200	169
Ottawa Traction	4	5.97	...	...	...	...	...	70	64
Porto Rico Rlys., c.	2	2.80	...	...	...	...	...	70⅝	59
Do., pref.	7	7.29	...	...	...	...	...	96⅛	90
Twin City, c.	4	7.27	55	52½	53	54	226	66	48⅝
Do. pref.	7	6.86	...	...	...	...	...	101	100
Winnipeg Elec., c.	2	2.75	73	72½	73	73	377	79¾	60¾
Do. pref.	7	6.66	105	103	104	105	68	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	8.98	...	...	...	...	...	50	36
Can. Converters	7	7.07	...	...	...	...	...	107½	92
Can. Cotton, com.	8	6.45	...	...	...	...	...	132	120
Do. pref.	6	6.09	100	98½	100	99	50	100	95
Can. Woollens, com.	.	...	8	8	8	8	5	10	6
Do. pref.	.	...	...	...	...	...	...	63½	59¾
Cosmos Imp., c. (no par)	.	...	27	26⅛	26⅛	27	586	27	13
Do. pref.	7	7.17	97¼	97	97	98½	25	101	91¼
Dom. Textile, c. (no par)	$5	4.42	113	113	113	115	50	120⅝	105
Do. pref.	7	5.73	...	...	...	...	...	122	117
Monarch Knit., c.	.	...	...	...	...	...	...	7½	7½
Do. pref.	.	...	51½	51	51	52	30	54	49
Montreal Cottons, c.	6	5.21	...	...	...	...	...	117	110
Do. pref.	7	6.14	...	...	...	...	...	118	114
Penmans, c. (no par)	$1	5.26	77	75	76	74	310	79	70
Do. pref.	6	5.88	...	...	...	...	...	105	101
Wabasso Cotton (no par)	6	6.52	92	92	92	92	40	116	84
General Industrials—									
Amer. Sales, c. (par $20)	4	6.61	60½	60½	60½	60½	82	75	60
Do. pref.	7	6.93	60¼	100¼	100¼	100¼	20	102	97½
Asbestos Cor., c. (no par)	.	...	24	23¾	24	24	839	25	20
Do. pref.	7	8.04	87⅞	87	87½	87⅞	669	90	82¾
Brant. Cord., pf. (par $25)	8	9.19	21½	21½	21½	21¾	60	25	21
Building Products, pref.	7	7.14	...	...	...	...	...	98	93½
Burt, F.N., c. (par $25)	$3	4.97	60¼	60	60	60⅞	120	66	56½
Canada Cement, c.	6	4.08	148	146½	148	146	513	153½	124½
Do. pref.	7	5.77	121¼	118¼	118¼	121¼	38	121½	116
C. Ind. Alc. (no par)	$1.28	3.80	34½	33½	34½	33¾	13149	34½	21¼
Can. Oil, c. (no par)	1	4.76	...	...	...	...	...	24⅞	21
Do. pref.	8	6.78	118	118	118	121	5	121	115½
Can. Bronze, c. (no par)	.	...	47½	45	47	45	1509	50¼	43
Do. pref.	7	6.96	100½	100	100	100½	35	101	98½
Crow's Nest Coal	6	11.53	...	...	...	...	...	71⅛	50
Dom. Glass, c.	7	5.90	118½	117¼	118½	116	295	125½	104
Do. pref.	7	6.14	114	114	114	114	10	115	111¼
Dom. Rubber, pref.	7	9.33	75	75	75	...	39	75	75
E. Theat., c. (par $25)	.	...	...	...	...	...	...	30	24
Do. pref.	7	7.21	...	...	...	...	...	97	92½
Famous Players, com.	.	...	30¾	30	30	30¾	37	31	20
Do. pref.	8	8.42	96	95	95	96½	110	101	93½
Gilman, com.	6	5.45	...	...	...	...	...	112	110
Do. pref.	7	6.07	...	...	...	...	...	125	110
Goodyear Tire, pref.	7	6.96	100¼	100	100¼	100	162	109	94¼
Hayes Wheel, c. (no par)	.	...	34	33½	33½	34	175	34	27¾
Do. pref.	7	7.21	97	97	97	97	20	97	91
Holt, Renfrew, c.	.	...	...	...	...	...	...	45	43
Do. pref.	7	7.60	...	...	...	...	...	92	85
Hunt's Ltd., c. (no par)	.	...	...	...	...	...	...	25¼	20
Do. pref.	7	7.77	90	90	90	92	10	95	90
King Edward Hotel	$1	...	42½	42½	42½	43	25	60	20
Lake Ont. Brew. (no par)	50c.	...	30	26½	29⅞	26⅞	8134	29	24
L. Secord, c. (no par)	.	...	...	...	...	...	...	35	26
Do. pref.	7	6.42	109	109	109	108¾	29	112	102
Lyall Construction	.	...	...	...	...	...	...	45¾	25
Loew's, com.	.	...	...	...	...	...	...	47	38
Do. pref.	7	6.84	...	...	...	...	...	105	96¼
Muirhead's, c. (no par)	.	...	8⅞	8⅞	8⅞	9	100	9¾	8⅞
Do. pref. (par $10)	7	6.22	11	11	11	11¼	100	11¼	11
Nat. Brew., c. (no par)	$4	5.71	70	69¼	69⅞	69½	2370	73½	65
Do. pref.	7	6.54	107	107	107	108	5	110	105
National Brick, com.	.	...	...	...	...	...	...	10	8
Do. pref.	7	...	...	...	...	...	...	81	56
Pacific Burt, com.	6	6.18	...	...	...	...	...	100	87
Do. pref.	7	6.48	108	108	108	108	22	108⅛	102
Port Hope San., com.	3	2.14	...	...	...	...	...	145	125
Do. pref.	7	6.54	...	...	...	...	...	108	90
Rogers, Wm., com.	.	...	70	70	70	70	25	80	64
Do. pref.	7	6.96	...	...	...	...	...	102	92
Seagram (no par)	.	...	25½	21½	23¼	22½	3545	28⅞	15
Sher-Williams, com.	6	3.63	...	...	...	...	...	170	142
Do. pref.	7	5.83	120	120	120	118	20	120½	117
Standard Chem., pref.	.	...	...	...	...	...	...	20	15
Stanfords, c. (no par)	.	...	...	...	...	...	...	20	20
Do. pref.	7	7.60	92	92	92	92	25	92	92
Sterling Coal	4	13.33	...	...	...	...	...	36	30
Tooke Bros., com.	.	...	...	...	...	...	...	x8	8
Do. pref.	7	8.33	...	...	...	...	...	72	68¼
Tuckett Tobacco, com.	4	5.31	...	...	...	...	...	75½	69
Do., pref.	7	6.66	105	105	105	106	25	107	103¾
Woods Mfg., com.	.	...	39½	39½	39½	40	5	46	29
Do. pref.	7	9.18	...	...	...	...	...	89	76
Trust and Loan—									
Can. Landed (par $50)	10+1	5.41	101⅝	101⅝	101⅝	101½	5	101⅝	94
Can. Permanent	12	5.43	...	...	...	...	...	223½	216⅛
Colonial Invest. (par $10)	6	...	...	...	...	...	...	7	5
Huron & Erie	7+½	4.96	...	...	...	...	...	152⅛	139
Landed Banking	9	5.23	...	...	...	...	...	172	161
Mont. Loan (par $50)	12+1	6.91	...	...	...	...	...	52¾	47
National Trust	12	4.78	...	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.12	...	...	...	...	...	117	111
Real Estate Loan	7	6.86	...	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.89	245	245	245	244	2	246	220
Toronto Mtge. (par $50)	10+1	5.37	...	...	...	...	...	103½	100
Union Trust	7	6.19	...	...	...	...	...	113	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7,12	...	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	18	16	17½	16½	360	35½	14
B. C. Oilfields (par $5)	.	...	...	...	...	...	...	2⅝	2
Beacon Oil	.	...	16½	16½	16½	17	75	20¾	15
Belding, com.	6	8.95	...	...	...	...	...	88	67
Do. pref.	7	7.23	96¾	96¾	96¾	96¾	5	100	96¾
Brading Brew. (no par)	50c.	...	27	27	27	25	5	35½	20
Brit. Amer. Oil (no par)	80c.	3.23	25	24½	25	24½	4930	28	20
Brew. & Distil. (par $5)	5	...	...	...	...	...	...	6½	4⅛
Can. Brewing (no par)	.	...	25½	24¾	25	24¾	95	30¼	23
Can. Celanese (no par)	.	...	77½	75	77½	74½	525	77½	52¾
Do. pref.	.	...	...	...	...	...	...	92	88
Carling Brew. (no par)	.	...	26	24¾	25½	24⅞	1295	28½	22⅞
Can. Light & Power	.	...	...	...	...	...	...	55	20
Can. Nor. Pr., c. (no par)	.	...	...	...	...	...	...	53½	42
Do. pref.	7	7.14	...	...	...	...	...	100	98
Cockshutt, pref.	4	5.75	69½	68½	69	69	150	82	67
Continental Oil	$1	...	...	...	...	...	...	22¼	17
Cosgrave Brew. (par $10)	$5	5.00	10	9	9	9½	823	12	6
Cooksville Shale Brick, c.	.	...	...	...	...	...	...	14	10¾
Do. pref.	4	...	...	...	...	...	...	54	50½
Com. Alcohol (no par)	.	...	...	...	...	...	...	70	15
Cuneo Press	.	...	58⅞	58	58⅞	...	2100	58⅞	58
Dom. Engineering	8	4.30	...	...	...	...	...	190	135
Dom. Power, pref.	7	7.00	...	...	...	...	...	101	100
Dryden Power (no par)	.	...	15	11	14½	13	1905	15½	9½
E. Dairies, c. (no par)	.	...	27	27	27	24½	100	29¼	20½
Do. pref.	7	7.36	...	...	...	...	...	96½	94
Eng. Elec., c. (no par)	.	...	...	...	...	...	...	18½	15
Do. pref.	.	...	...	...	...	...	...	95	72½
Foothills Oil	.	...	...	2.00	2.00	2.00	300	3.25	2.00
Good. & Worts (no par)	$1	2.04	50½	48½	48½	50¾	995	64	43¼
Chas. Gurd. com.	.	...	38	33½	37	33	6447	38	28⅞
Do., pref.	.	...	94	94	94	94	175	94	93¾
Hiram Walker (no par)	$2	4.25	50	46	50	49	12808	57¼	28½
Illinois Power, pref.	7	7.00	100	100	100	100	30	101	98
Imperial Oil (no par)	$1.12½	2.50	47¾	44⅛	47½	44⅝	6129	47¾	37¾
Imp. Tob., c. (par $5)	6	3.75	8⅛	8	8	8	675	8½	6¾
Inter Petrol. (no par)	75c.	2.60	29¼	28¾	29¼	28¾	2005	35¼	28
Inter. Power, com.	.	...	17½	17	17¼	17	350	17½	14½
Do. pref.	.	...	...	...	...	...	...	90½	85½
Loew's London, com.	25+5c.	...	...	...	...	...	...	5¾	4½
Mitchell, J. S.	.	...	...	...	...	...	...	32	28
Manitoba Power (no par)	.	...	...	54½	55	55	115	58½	50
McColl, com. (no par)	80c.	2.05	39	38½	39	38½	348	41	22½
Do. pref.	7	6.03	116	116	116	116½	10	118½	100
Mount Royal, com.	.	...	...	...	...	...	...	6	3
Do. pref.	6	...	...	...	...	...	...	55¾	40
Perfection Glass	.	...	...	...	...	...	...	8	7
North. Bak. (no par)	.	...	31	29½	30	31	2010	36¾	25
N. Star Oil, c. (par $5)	.	...	...	...	...	...	...	2.55	1.15
Do. pref. (par $5)	7	...	...	...	...	...	...	5.01	4.90
N.S. Car, com. (no par)	.	...	...	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	...	...	...	...	...	25	19
Do. pref. (par $50)	7	7.44	...	...	...	...	...	48⅝	47
Ott. Riv. Pr. (no par)	.	...	...	...	...	...	...	26	23
Paton Mfg. c. (no par)	.	...	...	...	...	...	...	60	25
Do. pref.	.	...	...	...	...	...	...	100	98
Power Corp., c. (no par)	.	...	45	42¾	44½	43½	5926	45	27¼
Do. pref.	6	6.31	95	95	95	95	50	97½	94
Port Alfred, pref.	7	7.33	...	...	...	...	...	97½	95
St. Maur. Power	.	...	120	120	120	125	6	150	96
St. Maur. Valley, com.	.	...	55½	55	55½	55	240	57½	47
Do. pref.	7	7.21	97	96½	97	96	100	98	94½
Simpson, Rbt., pref.	6	5.88	...	...	...	...	...	102	100
Sovereign Secs. (par $5)	.	...	...	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	41	40½	41	41	75	54	35
Do. pref.	8	7.54	106	106	106	106	5	108	104
Standard Clay	.	...	...	...	...	...	...	40	38
Toronto Brew. (no par)	.	...	12	12	12	12	555	13⅛	12
United Secs., com.	.	...	...	...	...	...	...	70½	43½
Do. pref.	6	5.76	104	104	104	104	10	105¼	103¼
Volcanic Oil	$2.52	1.34	...	...	...	...	...	47¼	36
Do. Rts.	.	...	1.15	1.00	1.10	1.05	3596	1.50	.95
Venezuelen Pete. (par $5)	.	...	...	...	...	...	...	7½	6¼
Wallace Sand	.	...	...	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	...	...	...	...	...	25	20
Zimmer knit (no par)	.	...	18⅝	18½	18⅝	18¼	30	19	18¼
Do. pref.	7	7.69	91¼	91	91	91	60	91¼	91

xQuotations for 1926. No sales recorded in 1927 to date.

The Royal Bank of Canada
Head Office, Montreal

Condensed Statement
to the Dominion Government

June 30, 1927

LIABILITIES

Capital Paid up	$ 29,627,850.00
Reserve Fund	29,627,850.00
Undivided Profits	1,400,674.58
Notes in Circulation	38,681,325.94
Deposits	621,205,785.53
Due to other Banks	22,773,770.88
Bills Payable (Acceptances by London Branch)	6,166,997.91
Letters of Credit outstanding	34,926,016.72
	$784,419,271.56

ASSETS

Cash on Hand and in Banks	$108,763,055.24
Deposit in the Central Gold Reserves	11,000,000.00
Government and Municipal Securities	103,513,150.34
Railway and other Bonds, Debentures and Stocks	19,733,968.13
Call Loans in Canada	40,502,930.16
Call Loans elsewhere than in Canada	62,183,095.52
	$345,696,308.39
Loans and Discounts	384,537,470.65
Liabilities of Customers under Letters of Credit as per contra	34,926,016.72
Bank Premises	14,680,402.67
Real Estate other than Bank Premises	1,903,454.00
Mortgages on Real Estate sold by the Bank	1,431,619.13
Deposit with Dominion Government for Security of Note Circulation	1,245,000.00
	$784,419,271.56

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Pulp & Paper

Abitibi or Spanish River, Which is Better Buy?

Depends Solely on Price at Which Shares Change Hands

SOUND COMPANIES

When Shares Sell at About Same Level, Their Comparison Is Interesting

From Our Own Correspondent.

Montreal.—The relative merits of Abitibi Power and Paper and Spanish River Pulp and Paper Mills common shares have long been a fruitful source of discussion, but recently, the shares in both companies have been selling near the same level. This naturally adds piquancy to any comparison of the two securities.

The capacity of the Abitibi mills amounts to 550 tons of newsprint and 200 tons of sulphite pulp from its wholly-owned subsidiary, the Abitibi Fibre Company. The installed capacity of the company's power plants amounts to almost 125,000 horsepower.

The output of the Spanish River is practically entirely confined to its 700 tons of newsprint daily. Spanish River generates 40,000 horsepower from its own plants. Both companies have interests in other paper projects, such as the Manitoba and St. Anne Paper companies.

Costs In Both Companies

It is said that Abitibi's costs, including both wood costs and manufacturing costs, are lower than Spanish River's. This seems to be borne out in the income statements of the two companies, for in its 1926 year Abitibi, with its lower production, showed net earnings applicable to bond interest of over $4,200,000, while Spanish showed a net applicable to bond interest of $3,743,448.

During the last seven years, excluding all other forms of re-investment of earnings, Spanish River has increased its surplus account from $1,060,798 to $7,009,309. Abitibi's surplus has been increased likewise from $3,688,570 to $7,847,894. But Abitibi has piled up an additional depreciation reserve of over $5,000,000 during these years.

Comparison of Assets

The balance sheets show that Abitibi carries its fixed assets at about $26,000,000, and Spanish River at about $32,000,000. While Abitibi is in a strong working capital position, yet the ratio of Spanish River's current assets to current liabilities is decidedly greater. While Abitibi last year had a working capital of over $3,100,000, Spanish had a working capital of over $9,800,000. The comparison of the working capital position of both companies is the more significant when it is remembered that Abitibi has outstanding 250,000 shares of common stock, whereas Spanish River has outstanding 94,470 shares.

In 1926 Abitibi earned 6.49 times its interest charges; the corresponding figure of Spanish River was 5.38. In the same year, Abitibi earned $11.56 as against dividend payments of $4.25 in that year and dividend payments this year are at the rate of $5 annually. Spanish earned $16.85 on its common stock in 1926, and payed out $7.

Ratio of Earnings

Thus, the ratio of Spanish River's earnings to its dividend payments is fractionally greater at the present time than that of Abitibi. Offsetting this, Spanish River's preferred shares are participating with any further increase in the common dividend, and in addition, some of Spanish River's bond issues also participate with the shareholders in the earnings.

Certain of Spanish River's bonds, by virtue of an agreement entered into at the time the company was in difficulties twelve years ago, receive 10 per cent. of all cash dividends paid on the preferred and common stock of the company. Thus, in 1926, the total sum paid out to the preferred and common shareholders and the bond holders amounted to $1,405,172, of this sum the bondholders received one-tenth, namely $140,517.

Should Spanish River raise its dividend by one per cent. on the common it would mean a similar increase in the preferred and a further disbursement to the bondholders. To clarify this somewhat, the following figures show a po tion of Spanish River's income account for the 1926 year, compared with what the account would have looked like had the common dividend been raised one per cent. with the consequent increase in the other payments:

	With 7% Div.	With 8% Div.
Net after Int., Dep. and Taxes	$2,195,902	$2,195,902
Preferred Div.	603,365	689,560
Common Div.	661,290	752,903
To Bondholders	140,517	160,273
	$1,405,172	$1,602,736
Bal. to Surplus, etc.	$ 790,730	$ 593,166

From the foregoing figures it will be seen that should Spanish River desire to increase its common dividend by paying out an additional $91,613 to its shareholders, it would mean a total additional payment, including the preferred and the bondholders shares, of $197,564 annually. While such a figure is no insignificant sum, it will be seen that if and when better times come to the paper industry, Spanish River will have no insurmountable difficulty in the way of increasing its dividend.

In view of the present unsatisfactory state of the market for newsprint, Abitibi's ownership of its 200 ton sulphite mill can be contrued as a favorable factor in any consideration of that company's securities.

To sum up, it is perhaps true to say hat Abitibi's shares present more attractions than those of Spanish River. But the question for the investor to solve is one of price rather than the intrinsic value behind the shares of both companies. With Spanish River common selling on about a parity with Abitibi common it looks rather as if the Spanish shares are the more attractive. In other words, if Spanish common sells at or around the same price as Abitibi common, Spanish looks the more attractive buy—at least for a short hold. Ultimately, Abitibi hares may catch up to those of its larger neighbor.

International Paper Preferred Has Made Buyers Money

The recent International Paper preferred stock issue was made at 99. In reality, this was equivalent to 97¼, for the stock went ex-dividend 1¾ per cent about the time the offering was made. Investors in the issue already have a profit, for it is selling at around 101.

Discussing International Paper, Greenshields & Co. say:

"The possibility that within five years, which is an unofficial estimate of the time, International Paper will be able to pay its fixed charges and preferred dividends from the earnings received from the sale of electric power alone, suggests that interesting possibilities of substantial appreciation in price exist in the common stock of this company. This is a situation well worth watching by those who are more interested in future appreciation than in immediate income."

Lower St. Lawrence Power Redeems General Mortgage

From Our Own Correspondent.

MONTREAL.—It is understood that plans are under way leading to the retirement of the 8 per cent. general mortgage bonds of the lower St. Lawrence Power Company, amounting to $350,000 and maturing in 1932. It is felt that the Central Public Service Company, of Chicago, which now controls the property, can finance on a much lower rate of interest.

The Lower St. Lawrence Company and its subsidiary, the Matapedia Valley Light and Power Company, are both under control of the Central Public Service Company, control being secured through the recent purchase of the common stock of the Lower St. Lawrence Power, which in turn controlled the Matapedia Valley system.

Gatineau Starts Second Unit

The second unit in the Farmers, Quebec, powerhouse of the Gatineau Power Co. has been turned over and is now in operation. This unit and the first unit, which was started on May 8 are supplying power to the Gatineau newsprint mill of Canadian International Paper Co., a few miles away.

FOLKS and Finance

SIR HERBERT S. HOLT has been president of Montreal Light, Heat and Power for 35 years. Celebrating his anniversary, the company's staff magazine says:

President of Canada's foremost public utility for the past thirty-five years, and holding a similar office in a number of other leading institutions, as well as being a guiding spirit of many enterprises prominent in the industrial development of our country, Sir Herbert S. Holt exemplifies in every degree the truth of the axiom — Through Service Comes Success.

Ever since he first became identified with the company, Sir Herbert has been actively and continuously engaged in its direction, and notwithstanding his numerous other interests, Montreal Light, Heat & Power Consolidated has always received his first attention. This coupled with his wise and far-seeing management, has been an inspiration and incitation to emulation for the entire personnel, with whom long and efficient service is the rule, and has found practical expression in the rendering of such true public service, as to make our Company one of the outstanding public utilities of America.

Say Declining Money is Help to Securities

As most of us know but often forget, money is a commodity; and, like every other commodity, it is subject to fluctuation in value. The money markets are more complex than the commodity markets and it is much harder to trace and measure the influences at work in altering conditions, and, therefore, values. But the laws of supply and demand are just as much "laws" in the money markets as they are in the disposition of any other commodity. A plethora of funds brings lower interest rates because there are many willing lenders. Money is said to be "cheap."

The past few months have witnessed a downward trend of interest rates in almost every form of investment. Canada appears to be fast approaching a period of easy money. Although corporate borrowings are at a high figure, savings deposits are at record high levels. The country, in the opinion of its leading bankers and capitalists, has entered a period of prosperity to which no limit has, as yet, been assigned.

There are unmistakable signs of a steady decline in the cost of money, and investors who are awake to the trend of events realize that present yields on high-grade corporation and real estate securities will be considered exceptionally high a few years hence. Seen in the light of present and probable economic conditions, these are bargain days in the markets for investment securities. Such is the opinion of Hamilton, Warner & Co., Montreal, expressed in their monthly "Investment Digest."

Other People's Views

Public Interest in Economics
The Nation's Business

THE public must have an interest in economics—and particularly in the economics of distribution. If the public doesn't, the Book of the Month Club has guessed wrong, for that organization, which supplies its 45,000 subscribers with an outstanding volume each month, sent to them on July 1, "Your Money's Worth," by Stuart Chase and F. J. Schlink.

And the 45,000 should enjoy it, for the authors make a lively presentation of their thesis that the public is being hornswoggled on much of its purchases; that manufacturers sometimes sell us what we don't want at a price we should not be charged.

But it is not with the Chase-Schlink book that we now purpose to deal. In another issue we shall have something to say of its faults and its virtues.

The point that interests the editor of a business periodical is that a concern seeking to keep readers interested in current books should have selected one dealing with distributive wastes.

CANADA'S ADVANCE
(Buffalo Courier-Express)

There is much in the statistical statement just issued by the Canadian government to which Canadians can well "point with pride." In 60 years of national life that country has advanced from the position of an almost isolated community to that of a nation trading with practically every country in the world, and from the point where its trade was almost nothing to the rank of fifth among the commercial nations of the world, being exceeded, as the statement emphasizes, only by the United States, Great Britian, Germany, and France.

In the year of confederation, Canada's trade with the United States amounted to $48,009,700. Last year that trade was valued at $1,167,039,699.

When one contemplates the vast reaches of undeveloped lands in Canada and remembers what has been accomplished by its people with a comparatively small population, one may easily be convinced that the future which lies before the Dominion challenges the vision of the most optimistic.

Anticosti Ships Pulpwood

The first shipment of lumber to be used as pulpwood to reach this district from the Island of Anticosti, following its recent sale, has arrived at the plant of the Port Alfred Pulp and Paper Corporation at Port Alfred, P. Q.

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TORONTO, Federal Building
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Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
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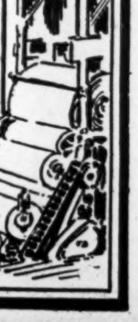
Abitibi Power & Paper Company
Limited
NEWSPRINT
IROQUOIS FALLS, ONT.

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC



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SAW MILLS
TIMBER LIMITS

NEWSPRINT PAPER AND LUMBER
Head Office
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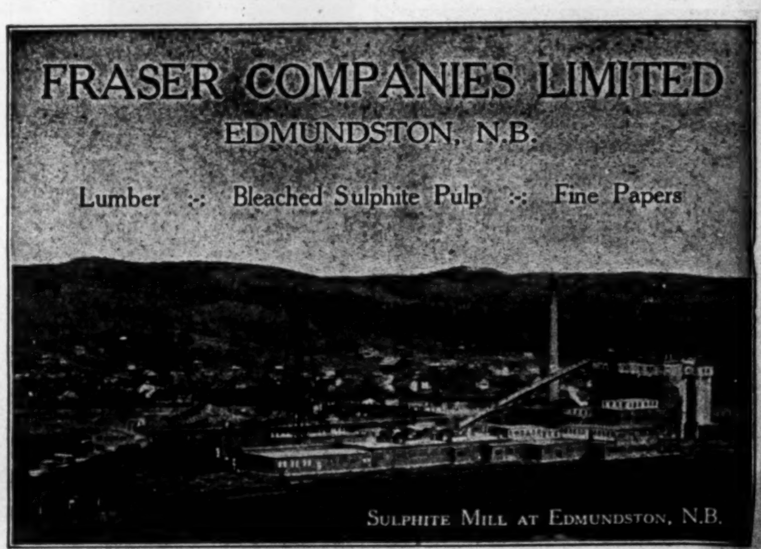
Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"



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THESE famous cottons stand up better to strenuous wear and frequent washings. And they retain their fineness of texture, their lasting beauty of appearance much longer.
The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.
THE WABASSO COTTON COMPANY LIMITED
Three Rivers, Que.

New Investment Trails Are Blazed by Pioneer

H. A. Low Starts New Investment Service — Investment For Appreciation in Sound Securities—Operates On Professional Basis in Purely Advisory Capacity

By RIELLE THOMSON

The constant mutation of industry steadily opens new fields for development. Thus, in turn, still further and hitherto unnoticed avenues for human effort stand revealed.

While this is true of industry, it applies with equal force to business methods and business conditions, which in the past fifteen years have altered materially. As in other businesses, the business of finance has changed remarkably.

Here in Canada the brokerage house first came into being, to be followed later by the investment house. Not so many years before the war, many, or most, of these investment houses confined their activities solely to government and municipal bonds, and perhaps a few gilt-edged industrial issues.

Investment House Changes

While the functions of the brokerage house have changed but little in the past twenty years, the investment house has more or less passed through a metamorphosis. The chartered banks are more and more entering the government and municipal bond field, while the investment houses are interested principally in industrial issues of one kind or another.

The fundamental factors underlie the changed characteristics of the bond house. First, the economic trend of industry which is now making successful only the larger companies; this trend brings in its train consolidations, and more consolidations, with consequent bond issues which are offered to the public. And secondly, the general public is absorbing more and more securities.

Larger Investment Interest

As recently as 1912 in this country, it was really only the occasional individual who was interested in stocks and bonds. To-day, almost every wage-earner has a financial interest of one kind or another. With these changes in financial methods; other new financial businesses have come into being and are now filling useful and important niches in the investment field. Financial services are now indispensable, and the power and prestige of the financial press is acknowledged everywhere.

The latest development in finance in Canada is the inception of the independent investment counsel, who for a fee advises clients on their investment programme.

Pioneer on New Trail

H. A. Low, well-known in investment circles in Montreal, is the pioneer who is now blazing this new investment trail. In 1910, he obtained his first investment experience with Hanson Brothers, where he remained for eight years. From 1919 to 1921 he was with his own firm, Foster, Barrett, Reipert and Low. From 1921 to the beginning of this year he was associated with A. E. Ames and Company, and at the time of his resignation from this firm he was sales manager in Montreal.

Thus Low has had a wide experience covering all classes of securities. His present business consists solely of advice to his clients regarding their commitments. For his services he charges a fee computed on a percentage basis of the total sum involved. The client transacts his trading through his own broker. Acting only as a counsellor, Low handles no funds or securities for his clients.

Low handles only a few accounts—but some of these run well into the six figure mark. Obviously, a highly specialized service cannot be given to a large number of clients. The manner in which he handles these accounts is of interest.

In the first place, Low's idea in being the first to enter this new field in Montreal—indeed in Canada—is that a broker charges a commission of $7.50 for purchasing 25 shares of, say National Breweries. Low feels that such a charge is insufficient to reimburse the broker for a really intensive study of the stock and of the situation surrounding the company. Thus, many make their financial commitments without obtaining sufficient information. The bond houses, of course, are in a better position to obtain more data on individual companies, but they have their own issues to sell, and thus, in one sense, Low acts as a purchasing agent for his clients.

First Obtains Facts

In making his recommendations, Low adopts the scientific method. First he ascertains all the facts regarding the company. These include its position with regard to competitors, the current earnings and the anticipated earnings, the position of the entire industry, and the hundred and one other factors affecting any individual security.

By careful analysis of certain industries and a large number of companies in those industries, Low secures data which he so tabulates that it is possible to make a wise selection of what the stock market may have to offer.

Naturally, one of the principles of such work calls for the determination of a definite buying and selling price for each of the securities under consideration. Low definitely fixes these points, and with ups and downs in the market the holdings of his clients are altered to suit the prevailing conditions. In other words, Low endeavors to have his clients holding only those stocks which are selling at a favorable price at the moment.

Does Not Speculate

Incidentally, Low's methods are not those of the speculator. In the first place, his suggestions are confined, as a rule, to stocks which are seasoned and have a market record behind them. Through diversification of his clients' holdings, though, he is able to occasionally take advantage of some of the semi-speculative issues which have so often worked out well in the past.

The broad lines along which he works is that the individual investor has neither the time, nor is he in a position to secure the information which is so essential in purchasing securities for apreciation.

Changes Made in Holdings

Low's clients deposit a definite sum with their own broker. Securities are then purchased on his advice and the scrip is delivered to the client. From time to time, according to the swings in the market, changes in the holdings are made. The fee for his service is based simply on the total amount of capital which Low administers for his client. In a nut-shell, then, Low's work consists of following market prices, following all the news which is published on the companies, and finally checking up public information and securing further information from private sources.

Whether or not the small investor will ever be able to, or will ever take to the idea of an investment counsel, is problematical. Certain it is, though, that for the larger purchasers of securities, a really unbiased and informed opinion will always be of great value.

Investment Counsellor

H. A. LOW,
of Montreal, who is blazing a new trail in Canadian investment.

QUEBEC DAIRIES HAS RECORD HALF YEAR

In Past Three Months Many Additions Made to the Plants

From Our Own Correspondent.

MONTREAL.—The Quebec Dairies has declared an initial dividend on its first preferred stock. The shares were first sold to investors three months ago, and the preferred carried a bonus of half a share of common with every share of preferred.

On June 30 the company concluded the first half of its current fiscal year and experienced larger sales and more profits than in any half year since the formation of the predecessor company. The earnings increased despite the milk embargo put on by the United States. The embargo has since been lifted on companies operating in the province of Quebec, except those plants operating in Montreal.

When the shares were first offered, to investors, the company owned three plants: a creamery in Montreal and two large centralizers elsewhere in the province. The Montreal creamery has been enlarged since the shares were offered and now its capacity has been almost doubled. Although this plant can not ship any of its output to the United States, yet it is operating at capacity.

Purchases Other Centralizers

During the last three months a number of small centralizers have been purchased in locations adjoining the two larger plants of the company at Lacolle and St. Leonards, P.Q. Thus, the output of these plants has been increased by 40 per cent. Some of their output goes to the United States.

Ranking junior to the issue of first, cumulative, preferred stock, there are outstanding 1,157 shares of second preferred shares of $100 par value. These second preferred shares went to the original owners of the predecessor businesses. But as the stock is non-cumulative, the payment or non-payment of dividends on the issue has little bearing on the ultimate prospects of the common stock. This year, it is anticipated, earnings will be more than equivalent to the first and second preferred dividend requirements.

In view of the record of increasing earnings shown by the predecessor company, coupled with the improvement in earnings this year, it can be seen that the long range view for the common stock is satisfactory.

British Economic Position Improving Moderately

From Our Own Correspondent.

MONTREAL.—The current issue of Investment Securities, published by the National City Company, Limited, contains a review of the economic situation in Great Britain, which says in part:

"The economic situation is improving moderately. The general state of employment is better than a year ago or at any time since 1920, although this is not true throughout all Europe or in all industries. With the resumption of coal mining in Great Britain that industry is generally overdone. It is suffering from over-expansion, with new fields in several European countries, from economies in the use of coal and from rival means of generating power. France in the past has afforded an important market for British coal, but the rehabilitation of the French mines since the war has enlarged their capacity, and the French Government is now proposing to admit foreign coal into the country only by a license system, which may seriously affect British sales. German coal exporters are interested also, but since their supplies are furnished for the most part on reparations account they probably will be given preference. The coal settlement in Great Britain is yielding disappointing results, because of the inability of the mines to operate full time."

Eastern Dairies Has Consolidated Operations

From Our Own Correspondent.

MONTREAL.—Reports from Eastern Dairies indicate that its earnings this year show a considerable increase over those of last. The company, through its Montreal division, secured a good deal of new business at the time of the typhoid epidemic in Montreal. Temporarily the business of a good many companies was cut down through a reduction in the use of milk, but the fear in this regard has long since been removed and the present volume of business of Eastern Dairies in Montreal shows a marked increase over the corresponding period of last year. An interesting step has been taken in Toronto and Montreal that will materially cut down the cost of operations, and it is confidently believed will not interfere with the volume of the company's business. For a considerable time, both in Montreal and Toronto, the dairies that had been absorbed were continued as separate plants and the names retained. Gradually, however, the business in Montreal has been concentrated under the one name of Elmhurst Dairy, and in Toronto under the name of one of the two plants held there, namely the Acme Dairy. The company also has a plant in Ottawa and the Crescent Dairy in Winnipeg, both of which are showing good returns. A successful customer-ownership campaign was recently carried out in connection with the Crescent Dairy company.

INCREASE KIMBERLEY PLANT

The capacity of the auxiliary steam plant of the Consolidated M. & S. Co., at Kimberley, B. C., which is now 4,000 h.p., is to be doubled. This plant was erected a year ago and saved its cost within a few days after it was completed.

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DULUTH SUPERIOR COMMON RETURNS ALMOST 8% NOW

Company Shows Improved Earnings — Stock is Easier

With the conclusion of the half year of Duluth Superior Traction, comparison is possible of the first six months of 1927 with the similar period of 1926. Such a comparison reveals the extent to which the company is solving the problems that have beset it. The definitely improved condition of affairs forecast for the company seems to have arrived.

It is notable, too, that while the six months period shows very gratifying increases the figures for the second quarter were even better than for the first.

For instance, in the second quarter of 1926 the company barely met operating expenses and fixed charges. In the second quarter of 1927, net income was up to $34,000.

Six Months Showing Excellent

For the full six months period there was a good increase in gross revenues, a slight decrease in operating expenses and thus a healthy increase in net revenue. After payment of fixed charges, the company had $90,000 left as gainst less than $30,000 in the first six months of 1926.

It would seem that the common dividend, now established at the rate of 2 per cent. per annum is well protected if the present rate of earnings can be maintained.

Despite this, there has been no substantial demand for the stock and from a high point of around 30 a couple of months ago the stock has declined to around 26, where occasional sales have recently been negotiated. At this price, the yield to the investor, (assuming the maintenance of the dividend, which does not now seem to be jeopardy), is nearly 8 per cent., exceedingly attractive for a public utility common stock.

Construction Proceeds at Grand Falls Plant

Construction is progressing on the Grand Falls, New Brunswick, hydro-electric development of Saint John River Power Company. Work has been begun on the forms for the concrete lining of the pressure tunnel. Work has also commenced on the west end of the coffer-dam for the main dam. Preliminary work has been started on the erection of steel penstocks.

The hydro-electric plant will be the largest power development in the Maritime Provinces of Canada. Three units of 20,000 horsepower each will be installed initially in the powerhouse.

All of the common stock of Saint John River Power Company is owned by International Paper Company.

Winnipeg Electric June Earnings Were Larger

The Winnipeg Electric Company supplies the following statement of earnings for the month of June, 1927:—Gross earnings, $449,775.76; net revenue, $140,253.32; fixed charges and taxes after deducting other income, $94,278.56; net income from operation, $45,974.76; monthly proportion Manitoba Power guarantee, $17,100.29.

Gross earnings from operation during the month of June, 1927, show an increase of $26,000 over the same month of the previous year, due to an increase in the gross earnings of all utilities.

The total operating expenses show an increase due to an increase in the operating expenses of the railway utility on account of an increase in wages, an increase in the number of car miles and car hours operated, repairs to track and roadway, extraordinary repairs to equipment, increase in bus service on account of extensions required by the city, and an increase in the cost of power on account of an increase in the number of car miles operated; also an increase in the operating expenses of the electric utility on account of an increase in the cost of power due to increased sales; and also a small increase in the operating expenses of the gas utility on account of certain special repairs to plant and plant equipment.

Public Utility Earnings

Northern Mexico Power

June	1926	1927	Increase	Per cent.
Gross	$105,555	$126,607	$ 21,052	19.94
Net	84,223	105,260	21,036	24.97
Six months—				
Gross	614,424	768,588	154,163	25.09
Net	492,249	645,879	153,630	31.21

Jamaica Public Service

June	1927	1926
Gross Earn.	$54,705	$52,774
Net Earn.	22,735	20,287
Surplus after Chgs.	16,577	14,015
	1927	1926
Gross Earn.	$674,193	$640,570
Net Earn.	276,757	243,266
Surplus after Chgs.	202,819	167,565

Barcelona Traction

June, 1927	*1927 Pesetas	1926 Pesetas	Increase Pesetas
Gross earn.	6,452,867	6,252,734	200,133
Oper. exp.	2,159,400	2,249,847	†90,447
Net earn.	4,293,467	4,002,887	290,580
Agg. gr. from Jan. 1.	43,941,298	42,735,730	1,205,568
Agg. net from Jan. 1.	31,004,419	29,184,149	1,820,270

*These figures include the earnings of the newly acquired Gas Company de Mataro.
†Decrease.

Duluth Traction

2nd quarter	1927	1926	Per Cent Inc or Dec.
Gr. rev.	$504,542	$483,036	+4.45
Oper. expense	387,864	405,792	—4.42
Net revenue	116,677	77,244	+51.05
Fix. chs. & tax.	82,323	77,074	+6.81
Net income	34,354	170	
6 months			
Gross rev.	$1,050,578	$993,142	+5.78
Oper. expense	796,781	808,349	—1.43
Net revenue	253,797	184,792	+37.34
Fix. chgs. & tax.	163,379	155,277	+5.22
Net income	90,418	29,515	+206.34

The figures for the second quarter and the year to date for 1926 and 1927 have been adjusted to include the operations of Duluth-Superior Coach Co.

RAILWAY EARNINGS

Canadian National

Week end:	1927	1926	Change
July 31	$7,016,797	$7,001,541	+$15,255

THREE KNIT GOODS MAKERS NAMED AS MERGER NUCLEUS

(Continued from page 1)

was founded in 1907 by A. F. Zimmerman and the late Adam Zimmerman. Plant and other fixed assets are valued at $800,000; sales run to about $1,750,000 yearly and net profit about $110,000 yearly. Company manufactures underwear hosiery and other knit goods and does an export as well as a domestic business. It employs from 500 to 700 operatives.

Company recently sold $600,000 of preferred shares and these, together with the common shares, have been listed on the Toronto Stock Exchange within the past few weeks.

Control of the company passed to a group headed by R. L. Innes, of Hamilton, following the death of Mr. Couch a few months ago. It was in this connection that the preferred stock issue was made. An offer from Penman's is believed to have been received but was turned down.

Harvey Knitting Small But Prosperous

Harvey Knitting Company of Woodstock was founded before the war, when the plant of the Kent Knitting Company was purchased. Local capitalists put up the necessary money and under the direction of excellent managers the company has made striking progress, its surplus account increasing from year to year. The company is strictly a private one and no details of its operations have been made public. But examination of mercantile agency reports shows the company to be in excellent financial condition. It is the smallest of the three companies.

While all three of the companies mentioned have done very well, profits have often fallen below the margin considered fair and equitable, considering the large volume of business done. This has been due to somewhat chaotic conditions in the knit goods business generally, chiefly induced by foreign competition. This has come particularly from countries with depreciated currencies. Merger of the companies under a single management, it is said, would enable economies to be effected that would widen the margin of profit without increasing prices.

Knit Goods Imports Grow

Importations of knit goods into Canada are very high. In their brief before the Advisory Commission on Tariff and Taxation, the manufacturers pointed out that in 1924 Canada imported $4,194,693 of knit goods and the United States $4,670,034, scarcely more. Importations into Canada were 48 cents per capita and into the United States only four cents. Importations in 1925 and 1926 were approximately the same in value and are declared to have been higher in actual quantity.

SAY FISHING NOT AS BAD AS STATED ON PACIFIC COAST

(Continued from page 1)

to the deep water out of reach of fishermen much longer than usual.

PILCHARDS ARE BASHFUL

From Our Own Correspondent.

VANCOUVER.—An investment of more than two million dollars and several hundreds of fishermen are idle on the west coast of British Columbia because the "cinderella fish" of the North Pacific has suddenly become bashful and is staying out in the deep sea several miles out of reach.

The pilchard industry is one of those phenomena which happen only once or twice in a generation. Two years ago hardly a single pilchard was caught in British Columbia waters. The reason was that the law prohibited its use except for human consumption. Then the federal government passed an order making it legal to catch the pilchard for oil and fertilizer, and within a few months a dozen reduction plants sprang into existence along the coast, and a profitable industry was given birth. The first year's operations were successful, and so were the second. It appeared as though the supply of pilchards was inexhaustible, regardless of the extent of the fishing operations.

Not Properly Regulated

"The pilchard will go like the sockeye and every other fish has gone when subjected to unrestricted fishing," an old-time west coast fisherman told The Financial Post last fall, and it would seem as though the old-timer's prophecy is coming true. Not a single pilchard school of any size has been reported so far, and the season is well advanced.

Operators are a bit uneasy, but they are still hopeful that the pilchards will put in an appearance eventually. The pilchard was always known to have mysterious habits, and this present show of temperament may be merely temporary. In any event, however, hundreds of fishermen are out of work as a result of the situation, and the elaborate reduction plants are not turning a wheel.

A despatch received in Toronto this week from the coast said: "British Columbia fishing at all points and for all varieties has been retarded by exceptionally bad weather early in the season but a marked general improvement has taken place and good catches are now reported. So far Rivers Inlet is ahead of last season; Skeena River is equal, and Smith's Inlet ahead. All other points are behind last year's corresponding date. The opinion is that the season's pack will be average of cycle. Market prospects are good. The Alaska red fish pack is about sixty per cent.; pinks to date not over twenty-five per cent. of corresponding date last season."

Branson, Brown & Co. Take Over R. P. Clark & Co.

A change has been made in the firm name of R. P. Clark & Co., Victoria. It is now Branson, Brown & Co. Cecil L. H. Branson is president and Charles E. Brown, vice-president.

The firm are members of Winnipeg Grain Exchange, Victoria and Vancouver Stock Exchanges and B. C. Bond Dealers' Association.

Branson, Brown & Co. also have connections by leased wire with all Eastern exchanges.

Seventh Article in Series on the Finances of Our National Railways.

National Railway Fortunes Linked With Those of C.P.R.

By RIELLE THOMSON.

No discussion or thought on the financial position of the Canadian National Railway is possible without also taking into consideration the Canadian Pacific.

The first point to be made perhaps is that if the C. P. R. is made to suffer unduly through unfair competition of the Canadian National, the credit of the Dominion in foreign markets will suffer very severely and less capital will tend to flow towards Canada.

C. P. R. a Standard Security

The reason for this is obvious. C. P. R. securities and stocks are one of the standard securities on investment markets through the world. Should investors in the empire and in foreign countries see a railway such as the C. N. R. which has unlimited government funds at its back, giving too keen competition to the C. P. R., they will sell their stock and hesitate to invest in Canada again.

Such sales would tend to depress the price of C.P.R. securities and thus increase the suspicion of unfair treatment towards the C.P.R.

On the other hand, the people of the Dominion would like their own road, the C.N.R., to make money in order that through taxation the man in the street would not be forced to meet heavy deficits.

One thing is certain: if the government-owned railway gives too keen competition to the C.P.R., the nation will suffer infinitely more than having to meet deficits in the income account of the state-owned railway.

Thus, any consideration of the railway situation in Canada leads to the conclusion that the C.P.R. must be allowed to make a fair living. The Canadian Pacific will most certainly continue to make a fair living, provided there is no outcry across the Dominion for decreased freight rates. At the present time, the freight rates in Canada are the lowest in the world, despite the long hauls and comparatively low load factor on the lines and equipment of both roads.

The financial position of the Canadian National, through the savings which have been effected since the consolidation, through good management and through generally better business conditions, has improved materially during the past ten years. For the future though, any material betterment in the financial position of the C.N.R. can not be looked for unless the Dominion experiences another boom similar to that which occurred at the beginning of this century.

Some improvement in the accounting methods of the C.N.R. could be worked out by reducing is capitalization to a sensible level—a level more compatible with its earning power. As these articles have shown, last year the Canadian Naional earned a surplus, after payment of interest charges due the public. It would be sound accounting to reduce the fixed charges by eliminating, say the annual interest due the government. In this fashion the road would be able to show a surplus each year and would not have to apply to politicians for permission to expend minor sums of capital.

But if such a course were adoped, almost certainly clamor would arise either in the West, in central Canada or in the Maritimes for lower freight rates, due to the bettered earning position of the Canadian National.

Must Maintain Fair Rates

For the future then the sensible course for the nation to adopt in conducting its railway affairs is to maintain rates at a fair and sensible level at all costs. In this connection it is interesting to note that both Sir Henry Thornton and E. W. Beatty have frequently mentioned the need of allowing the railroads to earn a fair wage for a fair day's work.

The present railway snarl in which the Dominion now finds itself has been due solely to senseless railway policies in the past—unless in the future sound, sane and business-like railway policies be adopted by the government, the railway problems of the Dominion will become more involved, despite the fact that the financial position of the Canadian National is steadily undergoing an improvement.

Newfoundland Paper Subsidiary

The incorporation of the International Paper Company of Newfoundland, Ltd., was announced this week by A. R. Graustein, president of the International Paper Company. The new company has been formed with a capital of $25,000,000 to take over the Corner Brook Paper Mills when negotiations for their acquisition are completed.

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Ontario

Ten-year 6½% First Mortgage Convertible Sinking Fund Gold Bonds

To be dated July 1, 1927. To mature July 1, 1937. Principal and semi-annual interest (January 1 and July 1) payable in United States funds at Chicago Trust Company, Chicago, Illinois, and in Canadian funds at the Canadian Bank of Commerce, Toronto, Montreal, St. John, Halifax, Winnipeg and Vancouver, Canada. Coupon bonds of $1,000 and $500 denominations, registerable as to principal. Redeemable on July 1, 1928, at 105 and interest and thereafter on any interest date, the premium decreasing ½ of 1% each year.

National Trust Company, Limited, Toronto, and A. J. Hennings, Chicago, Trustees.

These bonds will be convertible into common stock of the Company at the following prices: to and including June 30, 1928, at $20 per share; thereafter, to and including June 30, 1929, at $21 per share; thereafter, to and including June 30, 1930, at $23 per share; and thereafter at $25 per share. Application will be made to list this stock on the Montreal and Toronto Stock Exchanges.

The following summary is based upon a letter from Mr. Benjamin Gotfredson, President of Gotfredson Corporation, Limited:

HISTORY AND BUSINESS—The business of Gotfredson Corporation, Limited, which was founded by Mr. Benjamin Gotfredson in 1912, has been in successful operation since that time. The present Company was incorporated in 1924 under the laws of the Province of Ontario and with its predecessors has been engaged in the manufacture of motor trucks at Walkerville, Ontario, since 1920. In order to reach the American as well as the Canadian market, Mr. Benjamin Gotfredson began the manufacture of motor trucks in Detroit in 1923, when the Gotfredson Truck Corporation, of Michigan, was incorporated. At the present time the two companies operate plants at Walkerville, Ontario; Toronto, Ontario; Detroit, Michigan; and Los Angeles, California. Incident to this financing a plant at Cleveland, Ohio, is being acquired on satisfactory terms. Factory branches are maintained in twelve additional cities, and sales agencies where service and parts are available in twelve more.

By means of the present financing and certain transactions incident thereto the Gotfredson Corporation, Limited, will acquire all the fixed assets and not less than 95% of the capital stock of the Gotfredson Truck Corporation, of Michigan, which it will operate as a subsidiary. Control of the Company remains in the hands of Mr. Gotfredson and interests associated with him.

The Company, in its several plants, will continue to manufacture a wide variety of trucks, ranging from a capacity of ¾ ton to 7 tons, the bulk of the output being in the heavier types. It will also, as in the past, produce busses, fire apparatus and taxicabs, which heretofore have represented a comparatively small part of the business. The Company's products have given a high degree of satisfaction and are in use by many leading organizations throughout the United States and Canada.

SECURITY—These bonds will be secured, in the opinion of counsel, by a closed first mortgage or mortgages on all the fixed assets of the Company, and by pledge and assignment to the Trustee of not less than 95% of the outstanding common stock of Gotfredson Truck Corporation, and 50% of the stock of a subsidiary Illinois Corporation. Messrs. Coats & Burchard have certified that in their opinion the sound net depreciated value of the physical properties now owned and being acquired by the Company, as of May 10th, 1927, was $2,190,512, of which $1,786,957 was represented by land and buildings, exclusive of machinery and equipment. Net tangible assets of the Company as of May 1, 1927, after giving effect to this financing, amounted to over $5,450 for each $1,000 bond, and net working capital, similarly stated, amounted to over $2,850 for each $1,000 bond.

The Trust Deed shall contain such restrictions with reference to the declaration of dividends, capital expenditures, etc., as shall be deemed requisite by Peabody, Houghteling & Co., and in any event the Company shall agree that so long as any of these bonds are outstanding and unpaid no dividends shall be declared on its common stock nor any capital expenditures made that would reduce its net working capital below $2,750,000.

EARNINGS—Annual consolidated net earnings of Gotfredson Corporation, Limited, and Gotfredson Truck Corporation, for the five years ended December 31, 1926, available for bond interest, depreciation and United States Federal and Dominion of Canada income taxes, have averaged $286,444, or over 4.4 times the maximum annual interest requirements for these bonds. Earnings for the four months ended April 30, 1927, similarly stated, were $101,936, or at the rate of 4.7 times such interest requirements. In no year of the above period were such earnings less than 2¾ times the maximum annual interest charges on these bonds.

MANAGEMENT—The management of the Company will continue in the hands of the men who have been identified with its past growth. The Board of Directors of the Company will include the following: Benjamin Gotfredson, Detroit; M. H. Coleman, Detroit; C. S. Porter, Walkerville; Walter H. Eckert, Chicago; R. A. Daly, Toronto; W. B. Milner, of Royal Securities Corporation, Limited, Toronto, and A. J. Hennings, of Peabody Houghteling & Co., Chicago. The officers are: Benjamin Gotfredson, President; M. H. Coleman, Vice-President; C. S. Porter, Secretary and Managing Director, and J. H. Barth, Treasurer.

SINKING FUND—The Company agrees to pay semi-annually into a sinking fund for the purchase or redemption of these bonds, the sum of $25,000 for each of the six months' periods ended June 30, 1928, and December 31, 1928, respectively; and at the end of each six months' period thereafter to pay a sum equal to 10% of the consolidated net earnings, available for dividends, for the six months next preceding, but in no event less than $25,000.

All legal matters in connection with this issue of bonds are subject to the approval of Messrs. Hyde, Hennings, Thulin, Westbrook and Watson, Chicago, and Messrs. Long and Daly, Toronto, for the Bankers, and of Messrs. Loucks, Eckert & Peterson, Chicago, for the Company. We offer these bonds, when, as and if issued and received by us, subject to opinion of Counsel.

PRICE: 100 and accrued interest, to yield 6½%

Peabody, Houghteling & Co.

R. A. Daly & Co. Royal Securities Corporation Limited

We do not guarantee the statements and figures contained herein, but they are taken from sources which we believe to be reliable.

BUYING POWER UP THREE MILLIONS AS SETTLERS ARRIVE

Can. Colonization Association Places That Value on Families Settled

Over two thousand families have been satisfactorily settled upon Western Canadian farm lands by the Canada Colonization Association, a subsidiary of the Canadian Pacific Railway, since its establishment two years ago. Actually the association at May 31 last, had placed 2,012 families on improved farms covering an area of 488,092 acres. At the usual acceptance of the spending value of an agricultural family, this means an additional mercantile value to Western Canada of well over $3,000,000 annually. These colonist families were sold improved holdings for a sum totalling in the neighborhood of $20,000,000, land values representing about $16,000,000, chattels about $3,000,000, and buildings $1,000,000.

The steadily increasing accomplishment of the Association is evidenced in the fact that in the first five months of 1927 it placed 321 colonist families on 85,205 acres of privately held land in the Prairie Provinces, almost equally in Manitoba, Saskatchewan and Alberta. That at the same time confidence in its work continues to grow, and that accordingly in the future its scope of activity will continue to broaden is indicated in the fact that at the end of the fiscal year it still had on its books settlement opportunities for 1,032 families on 250,271 acres of land.

Extend Operations

Further proof of the successful operation of the Association has been the extension of activities beyond the Prairie Provinces into British Columbia. A survey of lands for this purpose was made during the spring and the first settlement in the Pacific coast province made in the month of June. Fifteen newly-arrived Austrian families, numbering sixty-four individuals, through the agency of the Association, were sold the Thomas Bulman ranch of 3,587 acres near Vernon in the Okanagan Valley for a sum in excess of $100,000 and satisfactorily settled there. Ten additional families followed almost immediately into the district and the movement is expected to reach considerable proportions, as other pieces of land in the valley have been offered the Association for settlement. There is every prospect of the Association's achieving the same success in British Columbia as has marked its efforts in the Prairie Provinces.

As pertinently pointed out at the annual meeting there is little general appreciation of what the Canada Colonization Association is accomplishing in the way of most satisfactory land settlement in Western Canada and knowledge is insufficiently widely disseminated as to what it is able to do for contemplating settlers. Its record of families settled upon farms, to become immediately productive, in its brief two years of existence speaks for itself.

With the development of producing farms its goal there is considerable latitude in the arrangement of terms. Frequently, where the Association feels justified, sales are made without a cash payment, purchase being effected on crop payments. Nor does interest cease when the land has been disposed of, but settlers continue to be wards of the Association until assurance is given of their ability to proceed unaided. For this purpose the Association has twelve district representatives and about 200 agents in Western Canada.

Debate Ousts Speeches on Chamber Program

No set program of speeches will feature the second annual convention of the Canadian Chamber of Commerce to be held at Vancouver, Sept. 12 to 14. Rather the meeting will take the form of a series of discussions by business leaders of national problems of to-day.

The executive have completed a convention program which is quite unlike the agenda of most Canadian economic conferences inasmuch as the sessions at Vancouver will take the form of open forum discussions on four of the major economic subjects of Canada:

Development of Imperial and Foreign Trade.
Development of Provincial Trade.
Development of Natural Resources.
Immigration.

The aims, program and functioning of the Canadian Chamber of Commerce will also be discussed as well as the work of the local boards and chambers throughout Canada. Outstanding leaders in Canada's economic activities, such as S. B. Gundy and General Mitchell, of Toronto. Wm. Birks and A. O. Dawson, of Montreal, L. W. Simms, of the Maritimes, J. A. Paulhus, of Quebec, R. G. Persse, of Winnipeg, C. O. Smith, of Calgary, and A. M. Dollar, of Vancouver, will be among the chairmen in charge of the convention's deliberations.

The convention is being preceded and followed by a special trans-Canada trip, in which will participate over one hundred from Eastern Canada. These delegates will stop on route at the principal Canadian cities.

Canada Life Raises Limit for Non-Medical Insurance

A further advance along the line of non-medical life insurance is recorded by the Canada Life Assurance Co. The company has just announced that the limit on its non-medical insurance has been raised in accordance with the following conditions:

"If the applicant has been medically examined for this company within two years and has not subsequently applied on a non-medical form, and if the amount of new insurance applied for, together with that already in force, does not exceed $20,000, then the company will consider new insurance on the non-medical form, provided the amount of the new application does not exceed $10,000."

Previous to this new ruling, the conditions under which the company granted non-medical policies were as follows:

"If the applicant has not been medically examined for this company within two years, the amount of insurance that the company will issue on the non-medical basis in any one year on male lives shall be limited to $5,000; in any two years to $7,500, and in any three or more years to $10,000; and further, in no case shall the new insurance applied for, together with that already in force (medical and non-medical), exceed $15,000."

Religious Stocks

Adams, in Barrons, New York, tells this one:

"I heard a yarn the other day that I am inclined to doubt, but the spinner assured me of its truth. It seems that a young clergyman, whose creed need not be mentioned, felt that a clergyman's salary might be slightly swollen by recourse to the stock market, and he accordingly purchased a moderate lot of stock, being extremely careful to choose only 'religious issues.' As a result, he doubled his money in two months.

"The religious issues? Gabriel Snubber and Bethlehem Steel."

BETTER CONDITIONS ATTRACT SETTLERS TO ALL PROVINCES

Government and Other Agencies Meeting with Good Results

The upward swing which Canadian affairs in general have taken, and in particular the succession of profitable crops with which Canada has been favored, has again directed wide attention to Canadian farming opportunity. This is true of the Maritimes, Eastern Canada and especially of Western Canada. The interest in the latter territory on the part of the United States agriculturists is outstanding and a new movement from across the line is evident whose influence will be more forcibly felt in the immediate future.

Government and railway colonization bodies are working at high capacity. A delegation representing fifty Nebraska farmers who wish to transfer their activities to Western Canada recently inspected tracts of land in Alberta with officials of the Department of Colonization and Development of the Canadian Pacific Railway, and a substantial movement of families amply equipped and capitalized is assured. A government agent is responsible for the statement that 250 Michigan farmers were moved to Western Canada in the course of six weeks in the early summer, and parties of prospects from Illinois and other states have been making inspectional tours of the territory. In this respect, though in lesser degree, the summer of 1927 has been very like those immediately prior to the outbreak of the war.

British Movement Satisfactory

While the movement from the British Isles, which is being encouraged and stimulated in every way, falls short of what Canada would like to see, due apparently to the unavailability of suitable material in any large proportions and a signal lack of appreciation of Canadian land opportunity at the present time, the influx is slowly gathering greater volume and it is necessary to go considerably back in Canadian records to find a British monthly immigration total equal to that of the first month of the present fiscal year. A gratifying phase of the British movement at the present time is the manner in which he Dominion is providing for a supply of future farmers of this stock.

The youth and juvenile movement from Great Britain is looming up this year more impressively and the conviction is growing that this is the most effective manner of preserving the proportion of British stock in the Canadian agricultural population of the future. The scheme arranged by cooperation between the Canadian Pacific Railway and Macdonald Agricultural College is meeting with complete success. Roughly 75 English secondary school boys are undergoing the combination of theoretical and practical farm training and the earliest arrivals are approaching the point where, under the advice of the committee, they will be able to launch out for themselves. The somewhat similar scheme of the Alberta Government has been equally successful. A total of 150 young men have been trained at the province's agricultural colleges and are now upon farms acquiring additional experience and some capital. Ex-Premier Greenfield, the province's immigration agent in England, is selecting an additional 75 for such training and placement. The Vimy Ridge farm of the Ontario Government is turning out a steady stream of graduates.

Settlement of Boys

The movement of less privileged boys is also being successfully maintained. The government supervisor of juvenile immigration recently reported that since the year 1868, when the movement began, various philanthropic agencies had sent 83,888 children to Canada from the British Isles. Dr. Barnardo's Home was responsible for 26,555. The British Immigration and Colonization Association, co-operating with the Canadian Pacific Railway, has in the brief time it has been in existence moved 1,334 boys from the Old Country and placed them on farms in Ontario and Quebec. Seven hundred are expected to be so moved and placed in 1927. More than 98½ per cent. of the boys have turned out satisfactorily, and more than $18,000 has been saved by them from their earnings and placed in banks to be turned over to them when the periods of supervision are ended.

It is interesting to note in connection with the British youth movement that there will be a substantially larger number of students from English agricultural colleges brought over to Canada this year to secure experience in the Western harvest fields. Several groups are to move forward to an aggregate of between two and three hundred. In a consideration of the large proportion of last year's students who definitely decided to return later to Canada and establish on farms, the Dominion can be expected to benefit equally from this year's movement in addition to the extremely valuable advertising secured.

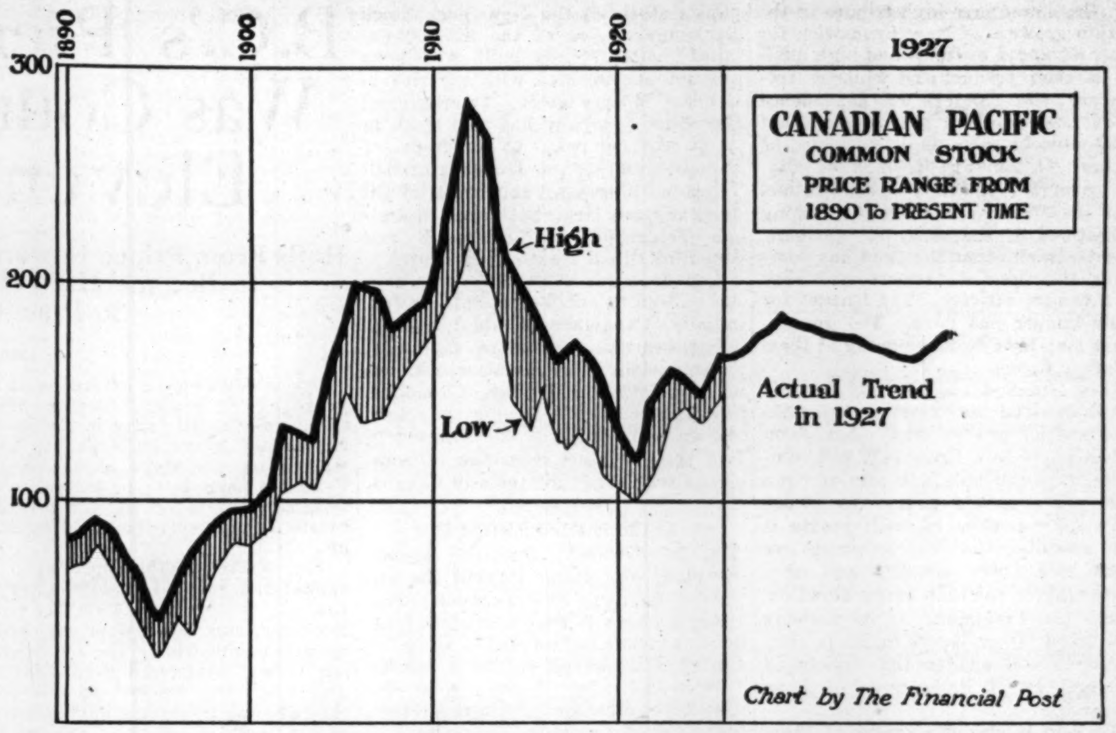


Chart by The Financial Post

Canadian Pacific Stock Rises Though Net Drops

Although Canadian Pacific net profits for the first six months of the year have been less than for the similar period of 1926, the stock continues to show advance and during July reached the highest point since 1915.

New York buying for investment account has been a strong factor in putting the stock up, and it is felt that they are definitely headed for the 200 mark.

Recognition of the fact that Canada's assured advance towards sweeping prosperity is of more importance than monthly earnings figures is behind the present movement.

June Earnings Again Down

For the month of June net profits of the Canadian Pacific Railway amounted to $2,264,452, as compared with $2,827,103 in June of last year, being a decrease of $562,650. Gross earnings for the month under review amounted to $15,270,904, as against $15,533,968 in June of last year, a decrease of $263,063, while working expenses at $13,006,451 were $299,587 above the $12,706,964 shown for the same month of 1926. This marks the third month this year thus far that the monthly net has fallen below the 1926 figures, the other months being January and May.

Net profit of the railroad for the six months ended with June amounted to $13,012,299, as against $13,956,687 in the same period of 1926, being a decrease of $944,387. Gross earnings for the six-month period at $88,842,564, being an increase of $3,614,788, but working expenses at $75,830,264 were $4,559,165 above the total for the same period of 1926.

Gross earnings, working expenses and net profits for the month and the six-months period are compared in the following:

June	1927 $	1926 $	Inc. $
Gross	15,270,904	15,533,968	*263,063
Wk. exp.	13,006,451	12,706,864	299,587
Net	2,264,452	2,827,103	*562,650
Six months:			
Gross	88,842,564	85,227,786	3,614,778
Wk. exp.	75,830,264	71,271,099	4,559,165
Net	13,012,299	13,956,687	*944,387

*Decrease.

Evidence of the growing American interest in C. P. R. is given by the frequent reviews of the stock that appear in publications and brokers' circulars, across the line. The latest is in the weekly financial review of Prince & Whitely, New York stock brokers.

"The recent advance in the market price of many stocks has carried issues of doubtful investment worth to prices where they are selling to yield 4% and less, and many non-dividend stocks have had extensive advances. Canadian Pacific ordinary stock, on the other hand, has moved up relatively little in proportion to its high investment standing. It is still selling to yield well above 5%," say Price and Whitely, who continue:

"In addition to the good return on the investment, which makes the stock a desirable purchase for the sake of income, there are probabilities of an increase in disbursements or some special dividend in the future. The railway owns enormous tracts of land, hotels, steamships, office buildings and many other miscellaneous properties, and there have been reports from time to time that a separate company would be formed to take over the non-railroad properties and the stock of this new company distributed to Canadian Pacific shareholders. It is also believed that the non-railroad properties have had very large earnings which have not been distributed and which might form the basis for a special cash dividend."

The Review says of C. P. R. common stock:

"Canadian Pacific Railway has been in a particularly fortunate position for many years because there has been no government control of railroads such as occurred in the United States in the war period and for two years thereafter, and there has been no such regulation of its affairs as occurs in this country through the control of the Interstate Commerce Commission on American railroads. The railway has, therefore, been able to develop many lines of business outside of the transportation field, and has been quite successful in them and also in the railroad field. The best proof of this is in the earnings of the railway, whereas many of the government owned railroads of Canada have shown poor earnings and in some cases had deficits year after year.

"The stock is backed by an earning power which makes the $10 dividend rate seem to be most secure, particularly as it is understood that there will be larger payments later from the non-railroad properties. There are possibilities for other distributions.

In the event of a general stock market reaction, Canadian Pacific ordinary stock might sell off a little, but in view of the fact that present prices give a yield of 5.2%, and also because of the ease in money, the stock constitutes such a good investment that it would probably be bought eagerly on any fair recessions. It also has prospects for moving to still higher levels later, as the tendency at present is for stocks of the highest grade to slowly but steadily advance into new high ground. This stock sold as high as 283 in 1912 and its low since then was 101 in 1921. The high of 1927 was 192½, the highest level at which the stock has sold since 1915.

CONSTRUCTION BOND NEEDS CLOSE STUDY

Investor Entitled to Larger Returns on This Security

When bonds are issued against properties, plants or improvements in the course of construction, they are generally known as construction bonds. Since the earning security of this type of loan is based on estimates of what the project should earn after it is completed and put into operation rather than on earning power of record, construction bonds, as a class, do not grade as high as securities which are a lien on property already income-paying. Consequently, in an analysis of construction loans it is necessary to examine the situation with considerable thoroughness. If the estimate of earnings proves excessive or if the property is not completed, the investor may find depreciated or defaulted security on his hands.

Many construction bonds, however, are entirely sound and desirable. The securities of this class which carry the highest rating are those offered by long-experienced, strongly-capitalized investment banking houses which practically assure that the property will be completed and used, that it will be free from all mechanics' liens, and that the present loan will be established as a prior lien in every particular.

In determining the investment value of a construction bond offering, the investor will be forced to base his decision primarily on the experience and character of the investment house underwriting the issue and on the record of the management of the corporation in other similar enterprises, since he can have no income statements over a period of years to go by. In any case, since he is buying a security based on future prospects rather than upon accomplishments, the investor will take a little more risk than if he were buying a bond the record of which is available for analysis. In return for this slightly greater risk, which varies with the security, he is entitled to and should receive a slightly higher return.

Manufacturers Finance Dividend

Directors of the Manufacturers Finance Corp., Limited, declared the regular half yearly dividend of 4 per cent., payable August 15 to shareholders of record June 30.

Officials state that the six months ended July 31 have been the best in the company's history.

OPPOSITION IN B.C. TALKS CONSERVATION

Opposes the Export of Raw Materials to United States Mills

By Staff Editor

VANCOUVER.—In the forthcoming provincial election campaign the opposition, it is reported, will appeal to the electorate on a policy of conservation of natural resources for the benefit of the province.

The existing government is criticised for not preventing the export of logs from the province. The timber goes down the coast and is there worked into paper and furniture and sash and doors. In one instance, it was found that a Tacoma manufacturer of sash and doors was underselling Canadian manufacturers in the Eastern Canadian market. Both were using British Columbia wood.

It is suggested that, failing an embargo, an export duty of $5 the thousand board feet be imposed. The United States tariff law provides that import duties be equal to export duties from countries of export. Thus Canadian manufacturers would have protection up to $10 the thousand board feet.

Aim at More Employment

It remains to be seen if protectionist sentiment in this province is equal to the overthrow of the present government. But there may be a change if the protectionists point out that home manufacture of a natural product creates a great deal more employment, and a higher grade of employment, than is created merely by the cutting of timber and its export as logs.

It is contended that something needs to be done if the last remaining accessible stand of high grade timber, on Vancouver Island, is to be exploited for the benefit primarily of this province. At present, it is being towed across the strait of Juan de Fuca to the state of Washington. The only Canadian labor used are the axemen and cheap labor.

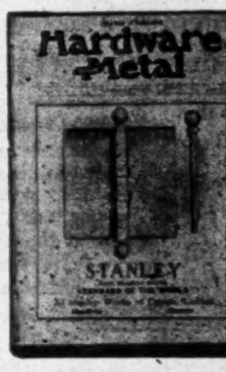
What applies to lumber, it is said, applies to minerals. Some of the commercial ores are being smelted and refined in this country, but much that comes out of the earth is taken to the other side of the border for the secondary and final stages of preparation for the markets. If the companies cannot be encouraged to carry manufacture further in this country, they should, in the opinion of many, be discouraged by legislation from a practice which is giving this province only a negligible benefit from exploitation of its natural resources.

Some Companies Are Exceptions

A few companies owned in the United States voluntarily have developed manufacture to a high degree in British Columbia and have found this policy economical from the viewpoint of manufacture as well as in building goodwill. Among these is the Powell River Co., which is owned in Minneapolis. The company operates a paper plant 75 miles up the coast with a capacity of 475 tons of newsprint per day. The company owns the townsite on which live more than 4,000 persons. Very few of the employees are foreign-born and a large percentage are returned soldiers. Photographs indicate that the town is one of the best in appearance, the residents taking great pride in their homes. The company recently spent $25,000 on a golf course, which is used by all classes of employees.

Drug Merchandising
Pro-phy-lac-tic

Canadian Grocer



Sheet Metal
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Hardware and Metal
Canadian Grocer
Men's Wear Review
Dry Goods Review
Bookseller and Stationer
Canadian Paint and Varnish Magazine
Hardware and Metal's Data Service
Sheet Metal and Warm Air Heating Review

All Published by the
MacLean Publishing Company, Limited
143-153 University Avenue,
Toronto, Canada

Paint & Varnish

Data Service

Dry Goods Review

Bookseller-Stationer
VICEROY
Rubber Bands
Made in Canada

Men's Wear Review

Sanitary Engineer
EMCO

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MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager. Rielle Thomson, Eastern Editor; WINNIPEG, 810 Confederation Life Bldg.; NEW YORK, 556 Graybar Bldg., 420 Lexington Ave.; CHICAGO, Room 1903, 360 N. Michigan Blvd. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

TORONTO, AUGUST 5, 1927

STATESMAN'S JOB

THE many initialled Mr. Amery will have an exceptional opportunity to study the immigration problem in a practical way when he visits this and other Dominions later in the year. Out of his visit should arise some co-operative effort in immigration that will be more effective in bringing Britishers to Canada than the platitudinous orations that featured the last Imperial Conference.

A British writer suggests that one of Mr. Amery's preparations for the trip should take the form of donning a workingman's suit of clothes and lining up at a labor exchange in the Old Country to see the type of unemployed in England who would come to Canada to find work it it were made possible and practical for them to do so.

Advanced thought in Britain now definitely links the immigration problems of the Dominions with the employment problem in Britain. But wholesale transportation of jobless Britishers to land-poor Canada will solve neither the immigration nor the unemployment problem. Proper immigration activity includes more than asking people to come and making it possible for them to finance their trips. It involves training; it involves cutting corners off square pegs so that they will fit into round holes; this is bound to be expensive.

This has led to a growing opinion in Britain that present settlement schemes are inadequate. Great Britain has appropriated £14,000,000 in all to assist emigration. Only £3,000,000 has been used. Some British papers take the stand that the reason is that Britain only pays half the cost of transportation and advances for settlers. The Dominions pay the other half and in addition they are put to heavy expense for advertising, immigration departments, etc. The British papers, who see a weakness in this, claim that a true 50-50 basis would be a distribution of costs on a per capita basis. In the case of Canada, Britain would pay 87 per cent. of the cost of settling people here. With such a contribution Canada could afford to absorb, train and find or make jobs for a larger number of people.

Even this would be no panacea if settlement schemes were not made thoroughly practical and were not handled by men of greater vision than now handle our immigration policies.

The clear brute facts that stand out in the migration problem are these: Britain has excess population; Canada wants more population. Statesmen are not statesmen if they cannot grow results in soil like that. If Mr. Amery is of statesmanlike calibre he should be able to achieve results for both Britain and Canada by talking to some of the few business-like individuals in the government at Ottawa.

SELF ANALYSIS IN N.B.

A VISION of what the Maritime Provinces might become in an agricultural way was given to the people of New Brunswick by Dr. G. C. Creelman in an interview. The doctor has been studying agricultural conditions in this province, having been nominated by E. W. Beatty, chairman of the Canadian Pacific Railway at the request of Hon. J. B. M. Baxter, premier of New Brunswick, to make such a survey

Dr. Creelman, one of the most prominent of Canada's scientific agriculturists, makes it clear that the farmers of New Brunswick have the power to establish the agricultural prosperity and eminence of their province for all time by the adoption of modern farming methods. His final report to the provincial government will no doubt go fully into definite recommendations for provincial co-operation with the farmers, but already Dr. Creelman has outlined the broad basis of New Brunswick's agricultural needs.

He finds a great reliance upon three sources of revenue on New Brunswick farms; some farmers specialize in potatoes; along the coast, the farmers carry on fishing operations; and in the interior they operate woodlots.

Dr. Creelman pays high tribute to the potato growers of New Brunswick for their advanced methods and high quality of their product and while he recognizes the dangers of dependence upon one crop and that a crop that fluctuates in price as do potatoes, he makes no attempt to dissuade the potato growers from their specialization. Nor does he frown upon the fishing operations of the coast-line farmers. But he thinks that the time has come when the woodlot farmers will have to find new activity. The market for their lumber has gone. The government may have to move many of them to other farms.

New Brunswick apparently has not yet discovered the value of thoroughbred cattle, poultry and other farm animals. If New Brunswick will eliminate its scrub bull, and aim at cows that will produce nearer to 30,000 than 3,000 pounds of milk yearly it can establish itself as a great live stock and dairy country and ship thoroughbred cattle in every direction, thinks Dr. Creelman. If its farmers will breed better layers on its poultry farms it will add to the variety of productivity of its sources of farm revenue.

To help in the attainment of these ends the province itself will have to spend more money. One hundred thousand dollars a year increase in the agricultural appropriation is Dr. Creelman's suggestion.

Such a survey as this is most significant for it reveals the opportunities for self help in the Maritimes and in the present instance shows a willingness on the part of New Brunswick to subject itself to scrutiny. If New Brunswick can establish its agricultural operations on a more efficient plane it will do the chief thing necessary to solve the problem of emigration of farm boys and girls to the United States. It will build a larger local market for New Brunswick industries and generally raise the level of prosperity in the province.

EASY COME: EASY GO

THE total estimated cost of the Cornerbrook pulp and paper project in Newfoundland was £4,000,000. The actual cost of the finished property was £9,000,000. Ronald McNeill, speaking for the Chancellor of the Exchequer, stated in the British House of Commons that "the plans were approved and the expenditure supervised and certified in accordance with the construction contract by technical advisers appointed jointly by the British and Newfoundland governments."

Besides raising the question as to what value technical advisers are when they permit a £4,000,000 estimate to run into a £9,000,000 expenditure, the information serves a useful purpose in preventing a wrong reason to be blamed for the failure of the Cornerbrook mill. The Cornerbrook fiasco does not prove that Newfoundland is not a good pulp and paper mill country. The root of the trouble was the £5,000,000 waste.

The deal is reminiscent of Canadian railway building when government guarantees were used to build lines. It seems that "easy come; easy go" applies to the spending of money, even on private enterprises, when the money has been guaranteed by a government or two.

IRELAND YET

WHEN Kevin O'Higgins was shot, the world suddenly discovered that Irish Sea is not yet calm.

Was it not the most significant incident of the O'Higgins affair when the "Adjutant General of the Republic Army" stated in the press that the "army council and general headquarters staff have no knowledge of the shooting." This is taken from an Irish paper and it sounds much more like Mexico or other locale of a Richard Harding Davis novel.

Irish trade has apparently suffered since the Free State was founded. A favorable trade balance of £20,000,000 a year has been converted into an unfavorable balance of £22,000,000. The cost of living is higher than in Northern Ireland. General extravagance and inefficiency are said to exist in government departments. No one is starving to death but thousands are in privation.

Remedy for Irish Free State troubles is not written out where all may see. But two things seem to be necessary; first closer trade relations with Great Britain facilitated by a more friendly spirit; second, a firmer control of government by President Cosgrave and other able men around him.

TWO-EDGED SECURITIES

THERE is a growing tendency on the part of Canadians to participate more heavily than ever in companies having their origin in the United States but owning large properties in Canada. Greenshields and Company, a Montreal investment house, refer to the movement, in a current market letter and state that it is evidenced by the interest of Canadians in International Paper Company, Aluminum Company of America and International Nickel Company.

Further examples could be added to the three mentioned by this firm. Canadian executives of General Motors Corporation are known to have made very large profits in the past two years through investing in that company's stock on the New York Stock Exchange. Some of the $25,000 palatial homes recently built in Oshawa are not unconnected with the rise in General Motors stock. International Harvester Company has sold stock in its parent company to hundreds of Canadian employees. Officials of Bell Telephone Company and Imperial Oil Company are large holders of American Telephone and Telegraph and Standard Oil of New Jersey shares.

Canada needs capital, its own capital as well as outside capital. Preferentially, Canadians should buy Canadian securities for more than patriotic reasons. But investment knows no boundaries and when Canadians buy American securities as they have and do and will, it is encouraging to find them buying securities of companies with large interests in Canada.

LITTLE DIFFERENCE

D. B. HANNA, Ontario's strong man, who deems himself the appointed guardian of newspaper advertising columns to keep them free from liquor advertising, refused to allow the Carling's Breweries to run a $25,000 London-to-London flight. Now the despatches all refer to "Charles Burns, president of Carling's Breweries," as sponsor of the flight. That is a distinction without much difference.

The situation created is no more ridiculous than the ban on advertising.

DEBTOR'S PRISON

THE gradual change in the relations between borrowers and lenders forms the subject of an interesting article published in the current issue of "Investments," published by Nesbitt, Thomson and Company. For centuries, the lending of money with interest was regarded as entirely disreputable business, frowned on by leaders in thought from the time of Moses down to as recent a writer as Karl Marx.

But now-a-days, almost every one has assumed the role of a money lender, for the purchasing power of the general public for bonds has grown and is steadily on the increase. Thus, the charging of interest on borrowed money has become a reputable practice. One of the fundamental reasons for this, lies in the changed character of the borrowers, namely the corporate entities which borrow only for productive purposes as opposed to the ancient or medieval borrower who went to the money-lender to stave off hunger, or for some other unproductive purpose.

The article ably treats with the gradual change in the status of the borrower and the lender. While formerly the interests of the lender were too well safeguarded, to-day it is more than possible that the interests of the defaulting borrower are too amply protected.

Looking at the situation from the standpoint of the individual borrower, it is certain that too many take advantage of the ample protection afforded them under our present day laws. Every business man knows of many men, heavily in debt, who refuse to meet their just obligations by placing all their assets in the names of their wives.

In our larger cities there are many men, living on the fat of the land, who by legal tricks and technicalities have virtually robbed those to whom they are indebted.

Manufacturers and wholesalers also meet similar situations in which dishonest retailers by tricky assignments rob those who supply them with goods. Under our prevailing laws, the borrower is often treated too benevolently, while the lender has little chance of displaying anything but amiable characteristics.

There is no doubt that the threat of a quiet ten days rest in jail would undoubtedly help to make many unscrupulous debtors meet their obligations. Who can say, therefore, that the days of jail for debtors—at least a short term to awaken the conscience—will not return to us again?

EDITORIAL NOTES

THERE are 4,081 notes of $1,000 denomination circulating in Canada. How many have you?

• • •

THOSE WHO saw the big fight from "ringside seats" 40 rows back, now know that they are suckers.

• • •

BANCITALY Corporation, world's largest investment trust, owns 6,000 shares of C.P.R. stock. An example to Canadian investors.

• • •

WRIGLEY'S gum profits for six months were $9,000,000. If we had prohibition of gum-chewing they might even be larger.

• • •

DETROIT is building an Olympia building and the prospectus naively includes among possible sources or revenue "horse shows." Detroit would have to import enough horses for a show.

• • •

ONE THING wrong with Canada is that while every boy in the United States hopes some day to be president, only a rare Canadian youngster ever thinks that he might some day be prime minister.

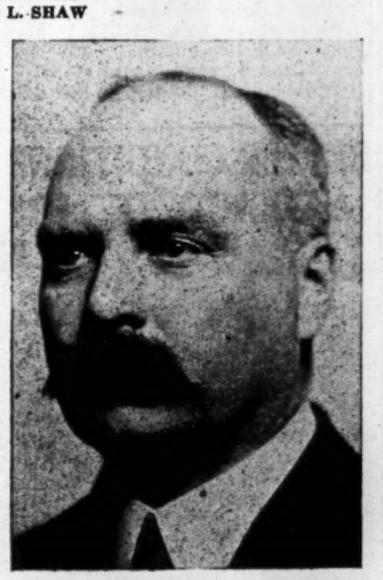
• • •

THERE are four partners in Kuhn, Loeb & Co., Wall Street's second largest banking house. One is interested in the Boy Scouts; another in music; a third in Jewish charities. The fourth is interested chiefly in business.

B.C.'s Premier-to-be Was Country Doctor Eleven Years Ago

Hails From Prince Edward Island and Crossed Continent to Become Hard-working Right-Hand Man to Premier John Oliver

By CHARLES L. SHAW


HON. DR. J. D. MACLEAN

One windy autumn afternoon eleven years ago a country doctor whose name was familiar only in the distant community where he made his home, walked up the steps of the British Columbia parliament buildings in Victoria to tackle a job which a few days before he had never imagined would be his.

The country doctor appeared in the capital city just a few days after the Liberals, led by the late Harlan Carey Brewster, had been swept into power by a landslide vote. The overwhelming victory staggered even Brewster and when the smoke of campaign cleared away he made a hurried survey of his party in search of cabinet material. He had the redoubtable John Oliver for his right-hand man and minister of agriculture and railways. He had M. A. Macdonald, the brilliant Vancouver lawyer, for attorney-general. These two men had served with Brewster in the legislature as the sole Liberal members and for that reason, if for no other, they were entitled to a portfolio. But when it came to choosing his other ministers Brewster was a bit puzzled. He needed a man representing the southern interior and he recalled the young country doctor that he had met in Rossland during the feverish days of the campaign—the young doctor who had once been a school teacher and who had served as alderman and mayor of the old mining town.

"What about this fellow MacLean?" Brewster asked some of his colleagues.

"MacLean is safe," was the reply, and a few hours later the country doctor who had been a school teacher knew that he had been selected as minister of education in the Brewster government.

In Politics to Stay

When he arrived at the parliament buildings on that autumn day of 1916, Dr. MacLean little realized that he was in politics to stay and that within eleven years he would be chosen by his party to act as premier of British Columbia to one of the most famous of British Columbia's statesmen — John Oliver.

Yet that is precisely what has happened. He is not premier in a nominal sense, but actually he is, for when "Honest John" Oliver, who took over the reins of office after Brewster's death in 1917, announced to his party in caucus a few days ago that illness had forced him to retire there was no question as to his successor. Oliver hardly needed to mention the man of his choice, for Dr. MacLean for the last three years has acted in the premier's role a score of times and in addition has run the treasury, the education, railways and industrial department. It is not expected that Oliver will ever go back to his office in the parliament buildings, but his party is giving him that cherished privilege of all men whose life has been filled with dynamic action—to die in harness. And Dr. MacLean is carrying on, attending to cabinet reorganization, working out plans for a new election, drafting policies and attending to the hundred and one duties of a premier in a pioneer country.

Fine Record of Budgets

MacLean was chosen to carry on because he was known to be safe; because he was known to be a diplomat as well as a sort of governmental handy man; because he was the possessor of a shrewd financial brain that made it possible for him to bring down a series of budgets that have been described as the best in the province's economic history.

"There was a time not so long ago when talk of bankruptcy and financial disaster was frequently heard about British Columbia, but the truth is sinking in. There is no danger of anything like that happening now and the people know it," Dr. MacLean told the writer recently. "British Columbia is in a better position financially to-day than ever before, and that is simply because we have tried to be safe and sane in handling our credit."

British Columbia's gross debt is about $80,000,000. That is a lot of money for a province with a population of barely half a million people, but Dr. MacLean's view is that the mere sum of the debt is relatively unimportant.

Paying Off Its Debt

"The important thing is that no other province in Canada is making anything like the effort we are to pay off its debt," declared Dr. MacLean. "British Columbia is still in the pioneer stage and it's only natural that big borrowings would have to be made. The country needs to be opened up and we can't build roads, bridges, railways, schools and irrigation ditches by a touch of a magic wand. But with all our borrowings the debt of the province is but ten per cent. of the combined debt of all the provinces. And here's the big difference—our sinking fund is fifty per cent. of the amount of the sinking fund for all the provinces. Most of the provinces set aside only one half of one per cent. each year for the retirement of debt. We lay aside enough to liquidate the entire debt at maturity of the loan. That is our basic policy in finance and it is the main reason for my optimism about the province's economic future.

In choosing MacLean as their leader, members of the Liberal party were not overlooking the personal element, and they recognized in the man who had graduated from doctor to financier handling millions of the people's money every year, the qualities that made him the only member of the Oliver cabinet who in all his years of office had not been involved in a bitter political controversy. MacLean is above all things a peace-maker and conciliator. His predecessor, John Oliver, was a believer in the big stick and he did not hesitate to wield it upon occasion. So did some of his other colleagues, who once in a while made the discovery that the man who goes armed for the fray is apt to find his foe similarly accoutred. But if MacLean believes in the big stick at all, he believes in having it comfortably padded. He believes in the political philosophy that a government should be able to administer the affairs of the country efficiently without hurting anyone and without creating bitter antagonism.

"So long as there is a party system the outs are bound to be in healthy opposition to the 'ins,' and vice versa, but this sort of rivalry is purely of a political nature and inevitable," said Dr. MacLean not long ago. "But there is no justification for bitterness in politics, and where you have bitterness and spite poking their fingers in public affairs you cannot reasonably expect to have good government."

Popular Without Baby Kissing

It is because Dr. MacLean believes that and, furthermore, has adopted it and stuck to it as his working policy in and out of public life, that he has traversed a decade of uninterrupted cabinet service without an enemy and stronger politically than he ever was before.

MacLean is popular and yet he is not of the hand-shaking, baby-kissing political fraternity. He is a quiet man and one of the least talkative members of the cabinet, and yet he is in no sense taciturn or exclusive. He may not have a great many words for everyone, but he has a smile for everyone and he does not spare it, and if you want a "Yes" or "No" answer from him you will get it. Quiet and untalkative and a believer in the padded stick perhaps, but MacLean is not a pussy-footer. He is about the most easily approachable member of the cabinet and that is one reason perhaps why people inside and outside the cabinet have made it a habit to go to him with every conceivable question and problem.

Tackled P. G. E. Entanglement

Throughout his long administration, Premier John Oliver always regarded MacLean as his right-hand man. Whenever he left Victoria it was always MacLean who was asked to carry on as acting premier. Oliver was always a glutton for work and he glorified in piling jobs on himself, but whenever he felt the load getting too heavy he usually sought relief by shifting a part of the burden to the broad shoulders of the country doctor. Dr. MacLean was already minister of finance and education and had been provincial secretary when the job of railways minister was offered to him and, because MacLean's eagerness for work matched even that of John Oliver, he accepted it and straightway started in to untangle the snarled skein which has enmeshed the Pacific Great Eastern Railway ever since that ill-starred political child was given birth.

But tasks like these are not merely titles to glory in, for Dr. MacLean. He has a passion for making a serious responsibility of his many duties and when the P.G.E problem was placed in his hands he was wise enough to perceive that it was the biggest single issue before the province and that its settlement in a manner designed to benefit the railway and country alike would be the biggest conceivable feather in the cap of the ruling administration. And so he has wrestled with the P.G.E. unceasingly and doggedly, gradually fashioning the government-owned railway which has caused so much political sorrow in the past into a going concern, with a semblance of business management about it. One of the things he did was arrange for the appointment of a board of directors embracing some of the most competent business men in the province and now, convinced that the successful future operation of the road lies in making it a part of one of the transcontinental system, MacLean and his associates are negotiating with private interests for sale of the road and its extension northward into the great Peace River country and southward to Vancouver. With these links established, Dr. MacLean believes, the railway will be in a fair way to earn dividends — something which it has never done before. The P.G.E is still the biggest single problem of the British Columbia Government and when MacLean leads his party to war—and that may not be so far off either—the battle cry will concern the fate of the P.G.E., on terms worked out in the mental laboratory of MacLean and the men he has gathered around him to put the road on its financial feet.

From P. E. I. to B. C.

MacLean is a true Westerner in spirit and in outlook and yet his birthplace is in Canada's farthest east—Prince Edward Island. His parents, of Scottish descent, had come to Canada from Inverness a few years before the boy who was to become famous at the extreme western end of Canada was born, fifty-four years ago. The elder MacLean was a farmer and the boy attended a rural school during the morning hours, hurrying home after his school duties to help dad in the field. Later, he attended Prince of Wales College at Charlottetown and it was while there that he first conceived the notion to go west. He reached the prairies as a youth of nineteen, fortified by his nerve, his determination to get somewhere, and not a cent of money. He undertook the work which seemed most familiar to him at that period of his youth and instructed a class of half a dozen farm children. He liked the work and moved from place to place as the school terms passed, seeing new scenes, meeting new people and inspired by the silent vastness of the prairies in their pioneer days.

First Was School Teacher

Then someone told him of British Columbia—the province of big timber, big trees, big rivers. He crossed the Rockies and found a job as teacher in a little school in a farming community along the Fraser River. His success as a tutor won promotion and he was appointed principal of the public school at Rossland, then the centre of mining activity, with a population of several thousands. Teaching, he felt, did not offer him the scope for advancement that he sought, and so he contrived to save enough money to finance a medical course at McGill. He did not actually embark on his medical career until he had reached the age of thirty-two, but his personality and the reputation he had built for himself in Rossland as a sober-minded, intelligent young man, won for him a large and profitable practice. He moved to Greenwood, another important mining town then, and broadened his activity by service as an alderman and mayor. These offices gave him the spark of ambition for public life and in the 1926 general election he was Liberal condidate for Greenwood. It was this election this dramatic political turnover which smashed the fortunes of Sir Richard McBride, William J. Bowser and other Conservative powers, that gave MacLean his opportunity and paved the way for elevating the country doctor to the premiership of his province.

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Canada Steamships

How do you regard the bonds of the Canada Steamship Lines?

The Canada Steamship 6's are a good investment. Earnings are increasing and the sinking fund clauses in the trust deed covering the issue provide that the senior securities will be retired rapidly and that annually there will be a much larger security behind your bonds. It seems to us that the Canada Steamship Line 6's might sell higher in view of the excellent security and earning power behind the issue.

Empire Life

Please advise me if the Empire Life Insurance Company stock would be a good buy. What prospects have they for paying a dividend? Are they in good standing and backed by the government? I am thinking of buying stock in this company and I wanted to get your advice in the matter.

The Empire Life Insurance Company has been in business for some four years now, and considering its age, has proven its ability to write a considerable share of life insurance. The company has recently opened offices in British Columbia and we believe that it has met with considerable success in that territory. In the near future, we believe that it is also expanding into the Maritime Provinces.

So far as we know, the management of this company is entirely dependable and very capable. The expenses of the company are kept at a minimum and we believe that their overhead is actually decreasing in spite of an increasing volume of business.

The company is inspected and is under the supervision of the Ontario Superintendent of Insurance and you may be sure in that respect, it is well looked after. This, of course, does not mean that the government guarantees its obligations. According to the 1926 report of the Superintendent of Insurance for Ontario, the company will show a slight impairment of capital amounting to some $8,000. This, however, does not reflect upon the company and comparing this company with other Canadian companies of the same age, the Empire Life shows an entirely satisfactory balance sheet.

The prospects of a dividend are probably somewhat remote. There are very few young insurance companies that can afford to pay dividends until they have been at least ten years in business. That does not say that the Empire Life will not make a distribution for another five years or so, but it does mean that during the early years of a life insurance company's history, shareholders usually must be content with an appreciation in capital and in the equity behind their stock, rather than with any cash returns.

The treasury stock of the company is selling at $45 per share, of which $10 is paid up capital and $35 is premium. The investment should be considered as a long hold proposition.

Wright Flexible Axle

I would be glad to have your opinion of the prospects of the Wright Flexible Axle Automobile Company and the desirability of its securities as an invest-

In our opinion the Wright Flexible Axle Company has unattractive prospects. The securities of the organisation have little merit because they are neither an investment or a speculation. We feel that you would be well advised in having nothing to do with this organisation and in making the same recommendation to your clients.

Imperial Royalties

Do you consider Imperial Royalties absolutely reliable, readily marketable or perfectly safe?

We do not consider Imperial Royalties absolutely reliable, readily marketable or perfectly safe.

The yield is, indeed, very high, but the risks are also great, that your return cannot be regarded as assured.

The only people who should invest in royalties companies are those in a position to take considerable chance with their money and most such investors would want to place their funds in investments nearer home.

Federal Discount

What information can you give me concerning the Federal Discount Corporation of which Thos. H. Sheppard was, and possibly is, president?

The Montreal Trust Company were transfer agents and registrar. The Federal Discount Corporation sold some stock in Nova Scotia three or four years ago.

Having received no dividends, would like to know what are the prospects of the company.

The Federal Discount Corporation of Canada was taken over on a share for share basis by a company known as Consolidated Discount. Stock of the new company was given on a share for share basis for stock in the old organization. The life of the new organization was very short. There is no value in either its shares or those of the Federal Discount.

An Unlisted List

I hold the following securities:

(1) Canadian Biscuit Co. 6½ per cent. sinking fund gold bonds, 1946.

(2) Pacific (Coyle) Navigation Co. 7 per cent. first preferred shares.

(3) Port Alfred Pulp and Paper Co. 7 per cent. preferred shares.

(4) Canadian Fire Insurance Co. common stock.

(5) P. Burns & Co. 7 per cent. preferred.

(6) Lethbridge Breweries 7 per cent. debentures due 1937.

Would you kindly advise:

1st—Why are they not listed in your paper?

2nd—Do you consider these good securities?

3rd—What present quotations are?

None of the securities you mention is listed on any recognized stock exchange in Canada and only a few of them are actively dealt in among brokers. That is why they are not listed in the Financial Post.

Canada Biscuit Company 6½% bonds are quoted in Toronto at 102½ to 103¼.

Pacific Coyle Navigation Co. first preference shares are not actively dealt in and if you are anxious to get the market price on them, the best procedure would be for you to communicate with the house that sold you the issue.

Port Alfred Pulp and Paper Co. preferred shares are dealt in on the curb markets and the best quotations are 95 to 98.

Canadian Fire Insurance Company stock is quoted at 100 to 110.

P. Burns preferred is not actively dealt in, but is approximately 98½ bid at the present time.

Lethbridge Breweries. G. P. Tull and Arnott of Calgary, who sold the issue, would be able to give you a market for it.

Canada Biscuit Co. has not issued any earning statement as yet. While it is stated that earnings have not been up to expectations, there is no reason to worry about the first mortgage bond issue.

Port Alfred Pulp and Paper Co. preferred shares are thoroughly protected and may be regarded as sound. There is little interest now in newsprint stocks but in time trading will be more active.

Canadian Fire Insurance Co. has been making progress after a number of difficult years. There is no reason to sell the stock at the present time.

P. Burns & Co. have shown themselves as consistent earners and preferred stock is well protected.

Laura Secord Candy Shops

We would appreciate any information which you could supply us covering the organization and success of Laura Secord's.

Laura Secord Candy Shops operate 57 retail candy shops in Ontario and Quebec. These are the outgrowth of a business established with a single store in Toronto in 1913. The company has been very successful and its present assets total nearly a million dollars, while earnings have averaged $750,000.

The preferred shares are now obtainable at around 109, at which the yield is about 6.42%. However, the real attraction in the stock is the fact that it is convertible into common shares on a basis of three common shares for one preferred share. As the company is now believed to be earning at the rate of about $4 a share on the common stock and is almost certain to pay a dividend of two or three dollars a share within a short time, the stock has very decided attractions. We can heartily recommend it as a good speculative investment.

Bishop Realty

I am enclosing a prospectus of the Bishop Realty Co., or Dental Building, of Montreal.

Please let me know what you think of this as an investment for a widow who has a small reserve of cash.

The Bishop Realty Corp. 7 per cent. first mortgage bonds are considered a safe investment. The bonds are secured by a four story building, in a desirable location in the city of Montreal. The building will be devoted largely to doctors and dentists, though the ground floor will be rented to merchants.

This is a new type of building in Canada but some similar institutions in the United States, and in Toronto and Montreal for that matter, have been successful.

As for recommending this bond as an investment for a widow with a small reserve of cash, we would point out that at the present time there exists no established market in Canada for the sale of real estate securities. Although this rule is general, it does not apply to all houses. Many of the responsible houses sponsoring real estate mortgage bond issues have taken care to see that an active market is maintained at all times for the securities they handle. In the case of the Bishop Realty Corp. bonds, we do not think you would have any trouble in disposing of them in the event of having to raise cash in a hurry.

Monarch Knitting

We have had some enquiries regarding the stock of Monarch Knitting. We notice the stock is listed at present around 52 and appears likely to fall off still further. We also understand that these people are not prospering and are hampered by out-of-date equipment as well as adverse tariff conditions. We shall be very much obliged for your opinion as to the future of the company so that our clients may decide whether or not to sell their stock at present market price.

The last sale in Monarch Knitting preferred stock was at 52, exactly the same price at which the first sale of the present year was made. It is quite apparent from this that the stock is stagnant. We doubt if it would show very much further decline, because, while the company is not doing very well and apparently is lacking in dynamic qualities, conditions are, nevertheless, improving, and there may be a very gradual trend upward.

We would think, however, that better results would be achieved by your client if they were to liquidate their Monarch Knitting stock at somewhere around the present figure and get into a security promising more immediate return. This will undoubtedly mean taking a loss on the Monarch Knitting Company stock, but the proper way to approach the transaction is to compare Monarch Knitting and its attractions with another stock of better character, and it will be seen that the quickest way for investors to recoup themselves for their lost money, is to get into a more active and more promising security.

Toronto Suburban

I am anxious to get some authentic information on some mortgage debenture stock issued by the Toronto Suburban Railway, the interest on which is now being paid by the Canadian National Railways. These bonds pay 4½ per cent. interest, but I have been unable to obtain any recent quotations and I do not know if the Canadian National Railways are responsible for the interest paid. I would appreciate any information you could give me on this issue.

The debentures of the Toronto Suburban Railway have suffered much from the indefiniteness of the company's future. As a part of the Canadian National Railways, it is regarded by many as certain to be protected as to the payment of interest and principal. On the other hand, the C.N.R. is not bound in any way to make good Toronto Suburban line securities. The National Railways would be legally justified in ceasing operations on the line and letting the bondholders take over the rails and rolling stock and stepping out of the picture entirely.

Some time ago we endeavored to obtain information on the exact standing of the securities and though we enquired from different places, we were unable to get any information which would be of value to the holders of this stock. Early last year, there was a possibility of a settlement being reached in the question of the sale of the railway. Nothing came of this, however, and the whole matter is still in the air.

We do not know what is going to happen. The Canadian National Railways has been urged frequently to clear up the situation but so far Sir Henry Thornton has not committed himself. As to holding or selling, we hesitate to advise. The market at present for this debenture is around 50 to 57, with very little bidding. The market reflects the present opinion of the value of the debentures and whether they will decline further or recover would seem to depend pretty largely on what may occur in the future. This is an unsatisfactory reply, we know, but we can not forecast how the cat—or in this case, Sir Henry Thornton—will jump.

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POST-Scripts

EUROPE is not the only spot in the world where geography has changed more rapidly than the map makers could change their plates. Canada is giving the publishers of atlases and gazeteers some problems to worry about. The Financial Post called attention recently to errors in the map of Canada published in the Canada number of the London Times. Errors appear in another atlas just published and advertised in language that leads one to believe that it is the most thoroughly up-to-date atlas in the world. It is being offered as a premium with new subscriptions to the Literary Digest, which is apparently making quite a drive for Canadian circulation.

A hurried glance at the atlas reveals that while the European maps may have been changed, the same old maps of Canada that have done duty for a number of years have apparently been used. A map of Ontario is stated to show the principal towns. Whitby is there; so is Newcastle and Bowmanville. But Oshawa, a large city lying between these smaller centres, is not on the map at all! There are many ludicrous errors such as this one.

We would hardly expect the map to show the new Labrador boundary and there may be some excuse for their missing Limoilou, Mistassini, Arvida, Amos and Rouyn. But the maps show an ignorance of changes that took place fifteen years ago.

TWO announcements last week afford striking illustrations of the upward trend of monetary values of American newspapers and magazines, which presumably has not yet reached its zenith. A firm of bankers announced an offering of Curtis Publishing Co. preferred stock at $114 a share and estimated the market value of common stock of the company outstanding at more than $160,000,000. Preferred stock in the amount of 900,000 shares at $114 a share would bring the market value of the company above $260,000,000. Average earnings for the five years ended December 31, 1926, after depreciation and all taxes, were $14,099,223, and for the year 1926 were $15,235,581. Net earnings, after depreciation and taxes, for the first six months of 1927, are estimated at $9,250,000. The company, we learn, has no funded or other debt except current monthly accounts and among its current assets on Dec. 31, 1926, were over $27,000,000 in cash. United States Government bonds and other investments. It also owns valuable parcels of real estate, situated on Independence Square and elsewhere in the City of Philadelphia.

The other news item revealed the sale of the famous newspaper, the Atlanta Constitution, to Luke Lea, publisher of the Nashville Tennesseean, Memphis Commercial-Appeal and Memphis Evening Appeal, and Rogers Caldwell, for a price consideration of "about $2,000,000." This sale illustrates the growth of the chain store idea as applied to the newspaper field, although there is at least no immediate or nearby cause for fear that such "strings" will dominate American journalism.

Which instigates Commerce and Finance to suggest the query, What Profit Publishing?

The following table shows some of the most outstanding newspaper sales of recent years, demonstrating the upward swing of values, although there are any number of medium-sized property sales which likewise reveal this price trend:

Paper	Year	Sale Price
Chicago Daily News	1925	$13,671,704
Kansas City Star (Times)	1296	11,000,000
Pittsburgh Press	1923	6,000,000
New York Herald (and Paris Herald	1924	over 5,000,000
Toledo Blade	1926	4,300,000
New York Herald, New York Evening Telegram, and Paris Herald	1920	4,000,000
Memphis Commercial Appeal	1927	3,612,000
New York Sun and Evening Sun	1916	3,000,000
New York Telegram ..	1927	2,500,000
New York Press	1912	2,500,000
Pittsburgh Dispatch and Pittsburgh Leader	1922	over 2,000,000
New York Evening Mail	1924	2,000,000
New York Globe	1923	2,000,000
Worcester Telegram and Gazette	1925	2,000,000
Atlanta Constitution ..	1927	2,000,000
Philadelphia North American	1925	1,700,000
New York Evening Post	1923	1,500,000
Tampa Tribune	1925	1,250,000
Detroit Journal	1922	1,000,000
San Francisco Bulletin	1924	1,000,000
Syracuse Journal	1925	over 1,000,000
Seattle Post-Intelligence	1922	1,000,000
Winston-Salem Twin City Sentinel	1927	1,000,000

Of course, the danger in stressing price in this field is the fallacy of viewing the newspaper entirely in the light of a business enterprise, which decidedly it is not. A commercialized press would be not only intolerable but financially unsuccessful. However, the newspaper "game" has its business side. While mindful of the peril of making journalism nothing more than Big Business, the rising tide of magazine and newspaper values is added evidence of the growing power of the printed word.

FRANKFURTERS and mustard evidently are as inseparable as ham and eggs in the stock market as well as in demand from eat-and-run customers.

This, at least, was the conclusion drawn by New York Curb Market traders who watched with interest the recent advance of shares of Gobel Inc., and Hellman. Inc. The former company supplies most of the New York territory, while Hellman manufactures mustard.

Both shares touched new high prices for the year under the impetus of a moderate volume of orders.

When Women Invest

Plenty of $100 Bonds Available for Women With Only Small Sums of Money for Investment.

A WEEKLY FEATURE

One woman offered as explanation of her purchases of mining shares the theory that mining stocks were the only investments that came within a price range that permitted a woman to buy them. Let us not sweepingly condemn mining shares; if a woman knows what she is doing she can invest her money to good advantage in mining stocks; but mark that phrase "if she knows what she is doing." That demands experience and knowledge that few women have the opportunity of acquiring.

It is undoubtedly true that a great many very low grade investments are sold to people of modest means because these investments are obtainable in smaller amounts than some of the better grade securities. When a promoter has a 25 per cent. commission to work on, he can afford to send his salesmen out to sell securities to people who only have $50 to $100 to invest. But when an investment banker is selling a high grade public utility bond at two or three points margin he has no more profit in a $1,000 sale than the other man has in a $100 sale. And so the small investor is apt to be neglected by the salesmen for the larger and more reliable investment houses, although he will be pursued relentlessly by the purveyors of doubtful investment wares.

Many Baby Bonds Available

To make it possible for people with small sums for investment to benefit from the best security offerings, a large percentage of bond issues now floated include $100 bonds as well as $500 and $1,000 bonds in the total. And the purchaser of a $10 bond will receive the same service from the bond house and the same relative security in the bond as the purchaser of a bond of larger denomination.

A somewhat incomplete survey of the outstanding securities of some 500 Canadian corporations reveals the following $100 bonds, or "baby bonds," as they are sometimes called, which can be bought through any dealer in investment securities.

Company	Rate	Due	Mtge.
Abitibi Power & Paper	8%	1931	Cons.
Asbestos Corp of Can.	5%	1942	1st
Belding-Corticelli	5%	*1936	1st
Brandram-Henderson	6%	1936	1st
Brompton Pulp & Paper	8%	1941	
Canada Bread	6%	1941	1st
Canada Cement	6%	1929	1st
Can. Fdry. & Forging	6%	1942	1st
Can. Iron Foundries	6%	1939	1st
Can. Steamship Lines	5%	1943	1st
Canadian Bakeries	6½%	1945	1st
Canadian Canners	6%	1950	1st
Can. Car & Fdry.	6%	1939	1st
Can. Steel Foundries	6%	1936	1st*†
Canadian Locomotive	6%	1951	1st
Canadian Theatre Co.	6½%	1941	1st
Canadian Paperboard	7%	1937	1st
Cedar Rapids Power	5%	1953	1st
Cosmos Imperial Mills	6½%	1944	1st
Dominion Glass	6%	1933	1st
Dominion Park Co.	7%	1936	1st
Dominion Rubber	6%	1946	1st
East Kootenay Power	7%	1942	1st
Frontenac Breweries	6%	1951	1st
Goodyear Cotton Co.	6%	1941	1st
Howard Smith P. Mills	6%	1934	1st
Do.		1941	1st, ref.
International Paper Co.	6%	1941	deb.
Jones Bros. of Canada	6½%	1946	1st
King Edward Hotel	8%	1963	deb.
Manitoba Power Co.	5½%	1951	1st
McKinnon Industries	6½%	1945	1st
Mexico Tramways	5%	1956	Cons. 1st
Moirs Ltd.	6½%	1946	1st
Ontario Pulp & Paper	‡6%	1931	1st
Ontario Steel Products	6%	1943	1st
Ottawa & Hull Power	6%	1948	1st
Ottawa River Power	6½%	1953	1st
Ottawa Electric Co.	5%	1933	1st, ref.
Ottawa-Mtl. Power	6½%	1949	1st
Ottawa Traction Co.	5½%	1955	1st
Quebec Power Co.	6%	1953	1st
Quebec Rly., L. H. & P.	5%	1939	Cons.
Quinte & Trent V. Pr.	6%	1955	1st
Shawinigan W. & Pr.	5½%	1950	1st, ref.
Sherwin-Williams Co.	6%	1941	1st
Simpson's Ltd.	6½%	1945	Coll.
Southern Canada Power	5%	1955	1st
Steel Co. of Canada	6%	1940	1st
St. Maurice Power Co.	6½%	1953	1st
Tooke Bros.	7%	1942	1st
Wayagamack Pulp	6%	1951	1st
Do.	6½%	1930	Gen.
Western Canada Flour	6%	1931	1st, ref.
Winnipeg Electric	6%	1954	ref.

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* £20. †Guaranteed Can. Car & Fdry.
‡ Plus share of dividends.

No attempt has been made in this list to classify the bonds nor to indicate which of them are good securities and which are not.

Catering to Small Investor

The length of the list illustrates the extent to which large corporations and investment houses are catering to the small investor, at least in providing him or her with sound investment opportunities even when they are not actively combing the field for the business.

Do not let the million dollar bond issue frighten you; usually it will have $100 bonds for the small investor and even these may be purchased no easy terms from some of the bond houses. Or your bank manager will advance you $50 or $75 towards the purchase of a $100 bond if you have only $25 or $50 to invest and you can pay off the balance later.

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ALABASTINE BONDS OFFERED AT PAR

Financing Effects Consolidation of Four Separate Corporate Entities

From Our Own Correspondent.

MONTREAL.—The Royal Securities Corporation is making a bond issue which is to finance in part the consolidation of the Alabastine Company, the Ontario Gypsum Company, the Toronto Builders Supply Limited and the Nova Scotia Coal and Gypsum Company. The consolidation of these companies now makes the Canada Gypsum and Alabastine, Limited, the largest manufacturer in Canada of gypsum products, such as wallboard, partition and roofing tiles. In addition, the company produces Alabastine, hydrated lime and other lime products. The mills for the manufacture of gypsum products are located at Caledonia and at Montreal. Plants at Paris, Elora and Teeswater manufacture Alabastine, plaster and lime. The company's principal gypsum mine adjoins the Caledonia mill and an additional mine with its plant is operated at Lythmore, Ontario. Through the acquisition of the entire capital stock, the new consolidated company controls the Nova Scotia Coal and Gypsum Company, which owns and operates a gypsum mine at Mabou, Nova Scotia.

The particulars of the issue follow:

$1,250,000 Canada Gypsum and Alabastine, Limited

6½ per cent., first mortgage, 15 year, sinking fund bonds. Dated Aug. 1, 1927. Maturing Aug. 1, 1942.

CAPITALIZATION

6½ per cent. first mortgage bonds, $1,500,000 to be authorized, $1,250,000 to be issued. Common shares, no par value, 100,000 shs. to be authorized, 46,994 shs. to be issued.

The Company: is a consolidation of independent companies and is now the largest manufacturer in Canada of gypsum products, plaster of paris, Alabastine and lime products.

Plant and properties: The company operates three gypsum mines and in addition operates five manufacturing plants.

Assets: Fixed assets are valued at $2,162,336 excluding the investment in, and advances to, the Nova Scotia Coal and Gypsum Company. The current assets are in the neighborhood of $400,000.

Earnings: For the year ending May 31, 1927, were $248,846, before depreciation, available for bond interest of $81,250 on the first mortgage bonds.

Sinking Fund: The trust deed provides for an annual, cumulative sinking fund which will be sufficient to retire by maturity over 60 per cent. of the bonds now being issued.

Offered: July, 1927, by the Royal Securities Corporation at $100 and accrued interest of 6½ per cent.

CANADIAN VICKERS BOND ISSUE SOLD

Government Subsidy Meets Two-Thirds of Interest on Bonds

From Our Own Correspondent.

MONTREAL.—The new issue of bonds of the Canadian Vickers, Limited, is payable in twenty years, whilst the annual government subsidy to the company runs for another 22 years, and the company's lease on its property, which is renewable on favorable terms, runs for a period of 40 years.

The $2,750,000 issue is being offered by the following syndicate of bond houses: Drury and Company, Greenshields and Company, Hanson Brothers and Company, Royal Securities Corporation, R. A. Daly, McLeod, Young and Weir, Murray and Company, and James Richardson & Sons.

The particulars of the issue follow:

$2,750,000 Canadian Vickers, Limited

First mortgage, 20 years, 6 per cent., sinking fund bonds, series "A." Dated Aug. 1, 1927, due Aug. 1, 1947.

Capitalization

First mortgage bonds, $5,000,000 authorized, $2,750,000 issued. 7 per cent. cumulative preferred stock ($100 par value) $5,000,000 authorized, $1,700,000 issued. Common stock (no par value) 100,000 shares authorized, 50,000 shares issued.

The Company: Owns a floating and dry dock capable of accomodating the largest ships entering the port of Montreal, a ship-building plant, an air-craft plant, a structural steel plant and industrial engineering plant.

Dominion Subsidy: The company receives from the government an annual subsidy of $105,000, which is paid direct to the trustee for the bondholders.

Security: The bonds are first mortgage on all the assets. Further bonds may not be issued except under restrictive clauses contained in the trust deed.

Assets: Valued by Coverdale and Colpitts after depreciation at $6,105,000.

Earnings: Annual interest requirements, after deducting the subsidy payments to the trustee for the bondholders, amount to $60,000, and during the 1926 year were earned 7.16 times over. Earnings of the company this year show a more than substantial increase. Earnings this year will amount to over 8.6 times the bond interest requirements.

Offered: July, 1927, at 98½ to yield 6.15 per cent., by Drury and Company, Greenshields and Company, Hanson Brothers, Royal Securities Corporation, R. A. Daly, McLeod, Young and Weir, and Murray and Company.

Appoint Two New Directors

MONTREAL.—The appointment of the Hon. Aug. Tessier, ex-Provincial Treasurer, and the Hon. G. A. Fauteux, ex-Minister at Ottawa, to the directorate of National Credit Corporation, is announced this week.

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News of Investment Markets

Bond Houses Follow Rigid Standards Before Underwriting Mortgage

Investigation is Made of Proposition From Every Angle Before Issue Will be Handled by Responsible Concern—Methods of Modern Mortgage Bond House Described

By WILLIAM C. BROWN, Mgr., United Bond Co., Windsor, Ont.

The first thing a conservatively managed first mortgage house does, when it has a proposition submitted, is to inspect the property which is to constitute the security for the bond issue. Paradoxical as it may sound, this does not mean looking at the particular property, itself, so much as at those many properties and features of environment by which it is surrounded. For a circle of two blocks,—three—four—a mile or whatever distance may be necessary, in every direction, that neighborhood is subjected to a searching scrutiny, to decide whether it is one which renders advisable the placing of a building of the type planned, in that particular location.

For instance, if the proposed structure be an apartment building, the site selected must be one easy of access to transportation of a character which will appeal to the class of people such a building is designed to accomodate.

In this connection, the representative of one very prominent United States first mortgage bond house whom we interviewed, made the statement that if they find what they consider an insufficient number of public and private garages in a certain community, so that they believe the needs in this direction of the tenants of an apartment house they may be asked to finance, would not be well served, they may even require garages to be built before accepting the original proposition.

Site Should be Central

Again, such a site must be conveniently adjacent to schools and churches, and if within a short distance of a community library, theatre, or recreation park, so much the better.

On the other hand, the site chosen must be a sufficient distance from all industrial plants and railroads that there will be no deterioration likely to occur in the type of tenants who will occupy it, and no depreciation in the physical value of the property through an increase in noise, smoke, dust, chemical fumes, or such similar nuisances as sometimes arise from manufacturing processes.

Another point to which very careful attention is given, we understand, is the approach to the building from the nearest main line of transportation. No matter how excellent that transportation system may be, nor how fine the location of the apartment building itself, if there intervenes even a small, undesirable district through which tenants must pass, it means that the entire proposition is rejected. The final decision in the choice of a home rests, as seems logical, with the woman of the house; and no woman will knowingly choose a place of residence to reach which she must pass through anything but the safest and most congenial surroundings.

Modern Buildings Necessary

This matter of approach brings us to a consideration of the building itself, and another very interesting fact brought out by the appraiser of the only exclusively first mortgage bond house organized in Canada. It is no disadvantage, states this gentleman, that a proposed new apartment house be located in the midst of a number of such already built. The existence of good apartment houses, well occupied, in a certain neighborhood proves that the location is a good one for that purpose. Care, however, is taken that the new building will be thoroughly up to date, and possess every one of those most recent refinements of equipment and design which ensure it a preference. No difficulty is ever experienced, in such a building as they approve, securing and maintaining its quota of tenants.

This one precaution alone, of course, demands a very broad experience behind it, and in exercising it a most careful study of plans and specifications is made by men thoroughly versed in the work. Few plans brought to them are ever approved as first submitted; alterations must be made which the company demands not only in the quality of material to be used and in methods of construction, but also in the exterior design, to give a more attractive appearance, and frequently in the layout of the apartments themselves. Long observation has taught the company referred to, that even the number of rooms demanded will vary in different locations, in what would seem, to the uninitiate, precisely the same character of environment.

Pleasant Surroundings Essential

An exhaustive study has proved to those who have been in this business a long time that the first thing tenants insist upon having is a pleasant approach to the building; then, an attractive entrance, and a pleasingly arranged and decorated foyer or public reception room. These secured, their next concern is with the apartment itself, and invariably the points of interest are in the following order of importance—the bathroom; the kitchen and breakfast room; then the living room. Other things being equal, apartments having large closet and cupboard spaces always secure the preference. At the present time, one of the leading first mortgage bond houses of Detroit is insisting, in most cases, upon electrical refrigeration, and radio aerials with connection in the living room of each apartment in buildings upon which it is asked to sponsor bond issues.

Most important of all the points to be considered, perhaps, are the indications of that change constantly taking place in every great city—actually a continuous evolution, the general trend of which is toward higher values, of course, but which, along the way, may quite ruthlessly destroy the value of some individual properties for their original purposes. In this regard the greatest care is taken by the astute inspector of properties to assure himself that for the term of a loan contemplated—5, 7 or 10 years, as the case may be—the particular property securing that loan will increase in value. In some cases, bond issues are accepted where buildings may, it is realized, show an excess of depreciation, if, on the other hand, conditions are such as cannot fail to greatly enhance the value of the land.

Regular Inspection Required

It is the policy of many companies to inspect all properties in which it is interested at regular intervals, both for the purpose of maintaining their upkeep, and also as a guide to conditions which may affect future offerings in the same localities. The entire experience of that company shows that in every case in which they have sponsored a bond issue, where the building has depreciated, such depreciation has been more than offset by the greater value of the land. Naturally this is not so with all land and buildings; it is so in their experience, showing the close and consistent care such companies exercise in this one regard alone.

The foregoing is a fairly detailed insight into the workings of one important department of the modern first mortgage bond house. At the same time it will give to those who contemplate investing in this form of security, a concrete idea of what they should seek in the offering company.

WOOD, GUNDY OFFER MATHEWS SS. BONDS

Old Established Concern Secure Money for Corporate Use

Wood, Gundy and Co. are offering privately $2,000,000, 6 per cent. first mortgage serial bonds, series A, of Mathews Steamship Co. A public offering will be made later.

Mathews Steamship Co. owns and operates an important inland navigation system in the Dominion. The original business was one of the oldest on the Great Lakes, having been established by J. and J. T. Mathews in 1856. In 1905 it was incorporated under Ontario charter. The company's fleet is comprised of fourteen steel freighters with aggregate deadweight tonnage of 82,000 tons and a combined carrying capacity of 2,500,000 bushels of grain. The business consists mainly of the transportation of wheat and other grains from Fort William, Duluth, Chicago and other Great Lake ports to Montreal. In each of the years 1925 and 1926, the company's fleet carried more than 40,000,000 bushels of grain, representing approximately 25 per cent. of all grain which passed through the port of Montreal in those years.

Particulars of the issue follow:

$2,000,000
Matthews Steamship Co., Ltd.
6%, 15-year First Mortgage Serial Bonds, Series A

Dated Aug. 1, 1927. Mature Aug. 1, 1928-1942

Company—Incorporated under Ontario Charter in 1905. Has been in operation since 1856.

Business—Operates a line of steel freighters on the Great Lakes, principally in the carrying of grain from the head of the lakes to Montreal. In 1925 and 1926 carried approximately 25 per cent. of all grain passing through the Port of Montreal.

Earnings—Available for bond interest, depreciation and income charges, have ranged from $227,168 for year ended January 31, 1926, to $764,140 in 1924. During past year, earnings totalled $379,827.

Security—First specific mortgage and charge on twelve steam vessels, of an aggregate tonnage of 75,150, and which represent a cost to the company of $4,467,368, and against which the company carried, as at January 31, 1927, a depreciation reserve of $1,061,083.

Insurance—Vessels are covered by fire and marine insurance to the amount of $4,855,000.

Purpose of Issue—Retire $1,200,000 of company's outstanding first mortgage bonds and for other corporate purposes.

Capitalization
(Upon completion of present financing)

	Authorized	Outstanding
First mtge. ser. bonds	$3,000,000	*$2,000,000
First mtge. bonds, S.S. Lambton	(Closed)	125,000
Common shares	2,000,000	600,000

*Of Series A.

Offered—Privately by Wood, Gundy & Co. Will be publicly offered later.

McDonagh Somers & Co.
Government
and
Municipal Bonds
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Canada

QUEEN'S PK. PLAZA SECURITIES SOLD

Proceeds Will be Used in Erection of Fine Apartment Hotel

Two securities are being offered publicly this week in connection with the erection of the Queen's Park Plaza apartment hotel, at the corner of Bloor Street and Avenue Road, Toronto. The first is an $875,000, 6½ per cent. first mortgage serial bond issue by the United Bond Co., and the second $275,000, fifteen-year serial, 6½ per cent. general mortgage bonds by Ramsay, Stewart and Co. The latter is the unsold portion of a $600,000 issue. Both securities are being offered at par and accrued interest.

The property secured by the company is considered one of the most desirable sites in the city of Toronto. Its location is especially strategic in that it is the pivotal point of two of the city's most important thoroughfares, with excellent transportation facilities. On account of the location and character of the improvements about to take place, namely the widening of Bloor Street and the conversion of Avenue Road into a boulevard, it is the general opinion that real estate values in this vicinity will increase rapidly.

The building will be fifteen stories in height, of reinforced concrete and brick construction, with exterior of lower floors finished in stone. It will be completely fireproof and designed as a high class private or residential hotel. In connection with the hotel, there will be a modern cafe, private dining rooms, a salon suitable for dancing. The ground floor will be given over to high class shops. On the second floor of the east portion of the building, acommodation for a limited number of offices will be provided.

Details of the two issues are subjoined:

$875,000
Queen's Park Plaza Co., Ltd.
6½% First Mortgage Serial Bonds

Dated July 2, 1927. Serial Maturities

Security—A direct, closed first mortgage upon land held in fee simple, and building thereon now in course of erection to be known as Queen's Park Plaza.

Location—Corner Bloor Street and Avenue Road. Considered one of the best sites in the city of Toronto for the construction of an apartment hotel.

Building—Fifteen stories in height of steel, reinforced concrete and brick construction, with exterior of lower floors finished in cut stone. It will be completely fireproof.

Appraisal—Value of the property, when building shall have been completed, estimated at $2,217,093.

Earnings—Net earnings are estimated at $221,508, or close to four times the greatest annual interest on the bond issue.

Insurance—Fire insurance to the amount of $900,000, payable to the trustees, for the protection of the bondholders.

Additional Safeguards — Mortgagors are bonded to the amount of $500,000 to complete the building as planned and specified.

Tax Refund—Normal income tax, not exceeding 2 per cent. on the income of these bonds, will be refunded by United Bond Co., on demand.

Offered—United Bond Co., at par and accrued interest.

$275,000
Queen's Park Plaza
15-year Serial, 6½% General Mortgage Bonds

Dated April 1st, 1927 Mature Serially

Security—Direct obligation of Queen's Park Plaza Co., and a direct charge on land, building, furniture, equipment, etc., and all other assets and revenues of the company, ranking in priority to all other obligations, except only the first mortgage of $875,000.

Appraisal—Value of the property, when building shall have been completed, estimated at $2,217,093.

Earnings—Net earnings are estimated at $221,508, against which interest on the first mortgage amounts to $56,875, leaving $164,633 available for interest on the general mortgage bonds.

Income Tax Exemption—Company agrees to pay interest free of normal income tax up to 4 per cent. by refunding such normal tax upon declaration of payment of such tax.

Management—Will be thoroughly experienced and the Board of Directors, all prominent successful business men.

Common Stock Share Purchase Warrant Feature—Purchasers of general mortgage gold bonds will receive share purchase warrants with their bonds entitling bona fide bondholders to purchase on or before November 1, 1927, common shares (no par value) on the basis of any number of shares not exceeding a proportion of ratio of 40 common shares for each $1,000 par value of bonds held, on the following basis: Payment and delivery, on or before August 1, 1927, price $5 a share; after Aug. 1 and on or before Sept. 1, 1927, price $7.50 a share; after Sept. 1 and on or before November 1, 1927, price $10 a share.

Offered—Ramsay, Stewart & Co., at par and accrued interest. Certificates for common stock at the rate of 10 shares per $1,000 par of bonds will be delivered to purchasers as a bonus.

Ontario Fire Loss Less in First Half of Year

The biggest fire in Ontario in the month of June was at McFadden's Saw Mill, at Nestorville, Algoma, according to the report of the fire marshall for that province. There were 906 fires during the month, an increase of 73 over June, 1926. The total loss amounted to $1,357,222, as against $656,993 for the corresponding month last year. All but $148,808 of the amount lost was covered by insurance.

Summing up the situation for the first six months of 1926, the fire marshall finds that there were 5,798 fires involving a loss of $5,684,941, all but $895,750 of which was covered by insurance. The record for the same period in 1926 showed 5,814 fires, with a loss of $6,358,344, all but $887,740 of which was insured.

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Investment in Real Estate Mortgage Bonds Calls for Close Study

Now Very Popular Type of Investment, But Necessary to Use Discrimination to Make Best Choice—Various Factors Should be Followed

Real estate mortgage bonds are a fairly new development in Canadian investment finance but as a class they have already established themselves as sound and attractive securities. Of course, to real estate bonds, tests must be applied by the investor. All real estate mortgage bonds are not sound any more than all industrial bonds or even all public utility bonds are safe and seasoned.

The real estate mortgage bond is in reality but a share of a large mortgage on a building—an apartment house or an office building, for instance. Bonds issued against a factory, are not, in any sense, a real estate bond. Bonds issued against light loft manufacturing plants that rent space to many different small manufacturers, warehouses, hotels, theatres, stores, etc., are often treated as real estate bonds and they may be so considered when the margin of security in valuation is such as to make the bond safe regardless of the financial results of the company or companies occupying the building and when the building is versatile in construction.

Factors to Consider in Buying

In the purchase of real estate bonds the investor must consider a number of factors.

The bond should represent only a reasonable proportion of the valuation of land and building. Bonds are often issued up to 70 or 80 per cent. of the appraised valuation of a property but the best bonds do not exceed a proportion of 50 or 60 per cent. Of course, an appraisal is purely a matter of opinion and so the investor finds himself in the position of having to rely upon the judgment of the issuing investment house and its ability to select only the fairest appraisers. Bonds should not be issued for the full amount of the investment made by the builder. There should be a very substantial junior equity. The investor cannot tell always when such protection exists but the investment banker handling the issue knows.

Similarly with estimated earnings A well organized investment house is in a position to check up on these and so again the best protection the investor has in the purchase of real estate bonds is to deal with a reliable house, especially with one that has had some experience in the handling of such issues and one that has a clean record.

Location Is Important

In real estate bonds, the factor of location of the building is important. The type of building should also be of the right character.

In the purchase of real estate bonds, the investor cannot rely entirely upon his own judgment nor can he apply many scientific rules to the examination of the security. In the main, he will find apartment houses in growing cities, that have not been overbuilt in this regard, the best security, followed by office buildings. In such structures, the large number of tenants makes for stability of earning power.

Money raised by the sale of real estate bonds should be specifically earmarked for the purpose stated in the offering circular and the investor should see that it is protected against appropriation for other purposes.

The loan represented by the bond issue should be limited to an amount that is safe and conservative and that leaves a substantial junior equity behind the bonds, which equity is held by responsible people known to the investor.

The circular offering the issue should answer all questions as to valuations, earnings, etc., stating whose valuation and estimates have been accepted by the bond house.

The first mortgage bond should be a first lien on both land and buildings and if the building is being built on leasehold property this fact should be frankly stated.

Provision should be made for amortization of the debt either by the sale of serial bonds, by the use of a sinking fund or in some other way, in order that the amount of bonds outstanding shall gradually be reduced as depreciation, obsolescence and other factors tend to reduce the value of the security.

Recommendations looking to the safeguarding of real estate mortgage bond issues were recently adopted by the National Association of Real Estate Boards.

The establishment of standards for the issuing of real estate mortgage bonds and for the guidance and protection of investors in such bonds has come to be a matter of public importance, both in view of the great extent to which such bonds have come into general use in the last few years and in view of the useful function which the new financial method has come to fill in, enabling the small investor to participate in large building developments.

The important point in the recommendations is the recognition that soundness of the appraisal upon which a real estate bond issue is based is the foundation of soundness of the bond issue itself.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	96⅝	97⅝
Abitibi P. & P. 6s, 1940	104⅛	105
Algoma Steel 5s, 1962	27½	28¾
Alberta Pac. Grain 6s, 1946	97	98
Bell Telephone 5s, 1955	101	101¾
Belgo Can. Paper, 6s, 1948	101	102
Brandram-Henderson, 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	87	91
Brompton P. & P. 6s, 1946	98¾	99¾
Burns, P. & Co., 6½s, 1943	102½	104
Calgary Brewery 5s, 1942	92	94
Calgary Power 5s, 1940	92¼	93½
Canada Biscuit, 6½s, 1946	102½	103¼
Canada Lt. & Pr. 5s, 1949	91¼	93
Can. Nor. Power, 6s, 1941	101⅜	102½
Can. Paperboard 7s, 1937	98½	100
Can. Steamships 5s, 1943	98⅝	99⅜
Can. Steamships 6s, 1941	98	98½
Can. Steel Foundries, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	93½	95
Dominion Iron 5s, 1939	32	35
Dominion Pr. and Tr. 5s, 1932	96¾	97¾
Drummond Invest. 6½s, 1938	98¾	99½
Duke Price Pr. 6s. 1966	104⅜	105
East Kootenay Pr. 7s, 1942	103⅛	104½
Elec. Development 5s, 1933	100	100¾
Famous Players 6½s, 1943	98½	100
Fraser Co. 6s, 1950	98	98¾
Gatineau Power 5s, 1956	96	96⅝
Gatineau Power, 6s, 1941	100	100½
Howard Smith P. & P. 6s, 1941	103¼	104¼
International Paper 6s, 1941	97½	98½
King Edward Hotel 7s, 1944	90	93
Lake Superior P. & P. 6s, 1941	104⅝	105¾
Laurentian Pr. 6s, 1936	103½	105
Laurentide Pr. 5½s, 1946	100½	101½
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	98½	99¾
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L., H. & Pr. 5s, 1951	99⅝	100⅜
Mont. Pub. Service 5s, 1942	98¾	99¾
Nor Can. Pr. 6s, 1945	101	102½
Nor. Ont. L. & P. 6s, 1946	101	101⅞
Nor. West Utilities 7s, 1938	99	100
Nova Scotia Steel 5s, 1959	68	69
Nova Scotia 6% Debs.	30½	34
Nova Scotia Tram. 5s, 1946	91½	93½
Nova Scotia Tram. 7s, 1952	99	100½
Ont. Pulp & Paper 6s, 1931	108½	110
Ottawa Hull Pr. 6s, 1948	103	104½
Ottawa L., H. & Pr. 6s, 1953	103⅝	105
Ottawa Mont. Pr. 6½s, 1949	102⅛	103
Ottawa Trac. 5½s, 1955	100	101
Ottawa River Pr. 6½s, 1953	101½	102¼
Port Alfred P. & P. 6½s, 1943	100¼	101½
Price Bros. 6s, 1943	102¾	103¾
Prov. Lt. Pr. 5s, 1946	101	102
Rio Tramway 5s, 1935	95	96
Sao Paulo Tram. 5s, 1929	97⅞	98½
St. Lawrence Paper, 6s, 1946	96½	97¾
St. Maurice Valley 6s, 1945	98¾	100
St. Maurice Pr. 6½s, 1953	107	107¾
Shawinigan W. & P. 6s, 1950	104½	105¾
Simpson's, Ltd., 6½s, 1945	103	104
Southern Can. Pr. 5s, 1955	98¼	99
Spanish River P. & P. 8s, 1941	106½	107½
West Kootenay Pr. 6s, 1943	103⅛	105

Group Association Will Hold Meeting in Canada

Another insurance association to find its way to Canada this year is the organization known to insurance men as The Group Association. This association was organized in the United States about a year and a half ago, and embraces in its membership, representatives from the various insurance companies (both in Canada and the United States), which are engaged in selling group insurance. The association is divided into two sections, one for life men and the other for casualty insurers.

The association meets four times a year, usually in New York, and this month a meeting will be held in Canada. William J. Graham, second vice-president of the Equitable Life, of New York, is chairman of the association, and E. E. Cammack, vice-president and acturary of the Aetna Life Insurance Co., is secretary. The meeting will last for two days, August 16 and 17, and will be held at Toronto.

Among its various activities, the association includes welfare work among employees insured under the group plan; and also performs the very important service of analysing the experience of its members and preparing collective data on the various phases of group insurance.

This Week's Bond Sales

City of Hull

The complete list of bids for the City of Hull bonds, reported in last week's issue, is as follows:

Dyment, Anderson & Co.	99.392
A. E. Ames & Co.	99.19
McLeod, Young, Weir & Co.	98.17
Wood, Gundy & Co.	98.41
L. G. Beaubien & Co. and Credit Anglo-Francais	99.07
C. H. Burgess & Co.	98.10

Dauphin, Man., Bonds

An issue of $100,000, School District of Dauphin Town, 5½ per cent., 30-year bonds, has been awarded to Alderson, De Jardin, McDonald Co., at 103.35, and which is equal to a cost basis of 5.27 per cent. The bids were:

Alderson, De Jardin, McDonald Co.	103.35
Harris, MacKeen & Co.	102.10
Dyment, Anderson & Co.	102.08
Canadian Bank of Commerce	101.07
Bond & Debenture Corp.	99.41
A. Norman Strang & Co.	98.00

BOND MOVEMENTS OF THE WEEK

Week Ending Aug. 2

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Latest Price Low
Asbestos, gen. mtge.	6	-1956	6.62	83¾	81¼	94⅛	88	101⅛	99⅞	92	91¾
Dominion iron	5	1929	11.61	94	86	92	69	87	86	86	..
Mexican Elec.	5	1942	9.14	61	61	66	66	67½	..	66	..
Montreal Tram.	5	1941	5.05	98½	93	99⅞	97⅞	99⅜	99¼	99⅜	99¼
Do., "A"	5	1955	5.23	95	92½	96¾	94¼	96⅞	96⅛	96⅝	96⅛
Wabasso	6	1947	5.95	99	92	100¾	99	..	101	100½	..
War Loan	5	1931	4.70	100.40	100.35	101.85	100.75	101.30	101.00	101.35	101.25
Do.	5	1937	4.50	104.95	102.75	104.25	102.95	....	103.75	104.20	....
Victory	5½	1927	4.90	102.50	100.15	101.00	99.85	100.40	100.20	100.25	100.05
Do.,	5½	1933	4.70	106.35	103.20	105.20	103.90	104.55	104.40	104.60	104.35
Do.,	5½	1934	4.95	104.40	102.65	104.10	103.00	103.40	103.30	103.40	103.20
Do.,	5½	1937	4.50	103.90	106.70	108.25	106.90	107,95	107.70	108.25	108.05
Do., renewal	5½	1927	4.75	101.95	100.00	100.80	99.90	100.25	100.05	100.10	99.90
Do., renewal	5½	1932	5.00	103.90	102.00	103.55	101.85	102.50	102.00	102.15	....
Do., refund	5	1928	4.85	101.35	99.00	101.45	99.75	100.25	100.00	100.15	....
Do., refund	4½	1940	4.60	96.95	95.60	100.05	96.60	98.75	98.00	98.70	....
Do., refund	5	1943	4.68	102.80	101.10	103.90	102.30	103.40	103.00	103.60	103.30
Do., refund	4½	1944	4.55	97.15	95.70	100.10	98.05	99.00	98.25	98.90	....
Do., refund	4½	1946	4.55	99.60	95.65	100.25	96.70	99.00	98.25	98.90	....

Winnipeg Electric After Appliance Sales

From Our Own Correspondent.

"To further stimulate the demand for its gas and electric service and as an added convenience for its customers, Winnipeg Electric Company has established three up-to-date Appliance sales rooms conveniently located in different sections of Greater Winnipeg," says the Winnipeg Electric Shareholders' Monthly Bulletin for August.

"The principal sales room is in the head office of the Company—Electric Railway Chambers—located in the heart of the city. Another sales room is in St. Boniface, which city is served exclusively by the Winnipeg Electric Company, and the third is in St. James, a fast-developing suburb of Winnipeg and also exclusive territory for the Winnipeg Electric Company's electric service."

GOODYEAR DOES NOT NEED BRITISH, AUSTRALIA MARKETS

(Continued from page 1)

unsimilar. The Canadian company again was unwilling to jeopardize a powerful financial position to make a large investment in that country.

More Business Than Can be Handled

Canadian officials state that they are not worried about the situation. For months, the Canadian plant has been operating at capacity. There is every prospect that for some years yet the Canadian plant will operate at capacity and will have so much business offered that it will be possible to choose the most profitable orders from foreign markets. The rapid development of the motor car in other parts of the world is the factor responsible for this situation. The Canadian company preferred to leave well enough alone and lose the British and Australian tire markets, especially when it had more business than it could handle—business more profitable than the English and Australian business has proven to be.

In rubber specialties, products other than tires and tubes, the Canadian plant will continue to ship to Britain and Australia.

Offer $100,000 of Stock in Mount Royal Breweries

From Our Own Correspondent.

MONTREAL.—Offering has been made of $100,000 of 7 per cent. first preference shares of Mount Royal Breweries, Limited, announced yesterday. The company is a new one which was formed to take over the assets of the Salaberry Brewing Company at Valleyfield. Mayor Martin accepted the presidency of the new company, other directors of which will include David R. Brown, William Fallon, of New York, David Allan, president of Allan Ginger Ale, Leon Faribault, K.C., Victor Levesque and R. A. Darwin, of Darwin's Department Stores.

The capitalization of the new company is $450,000 of 7 per cent. cumulative preference stock and 50,000 shares of no par value common stock. Of the senior issue $300,000 is to be issued, while all of the common is to be issued.

The circular states that the company has a capacity of 50,000 barrels per year and that this capacity could readily be doubled at a reasonable expense. It is further stated in the circular that the company has already arranged for the sale of approximately half of its output to an Ontario concern. It is pointed out that the plant is particularly well located to take advantage of export business.

Tenders and By-laws

August 20, United Townships of Mansefield and Pontefract, P.Q.—$15,000, 5½ per cent., serial debentures. D. J. Shea, sec.-treas.

August 29, Sioux Lookout—$30,000, 5 per cent., 20-instalment.

Saskatchewan

Authorizations granted by the Local Government Board from July 16 to July 23, 1927:

Schools—Hudmore, No. 1,205, $3,500; Pretoria, No. 2,462, $1,200; High Prairie, No. 386, $4,500; Lucky Lake Village, No. 4,451, $12,500; Kearns, No. 4,701, $3,000; Lance Valley, No. 4,709, $3,000; Glen Logan, No. 1,864, $2,800; Beech Grove, No. 4,702, $1,500; Rose, No. 3,926, $1,000; Tiree R. T. Co.. $1,100; Biggar Northern R.T. Co., Ltd., $4,600; Innes R.T. Co., $1,500; Pambrum R.T. Co. 1, $3,100; Penteix R.T. Co., $16,300; Fillmore R.M., No. 96, $5,000; Raymore Village, $3,000; Lemberg Town, $4,500.

Debentures Reported Sold

Klintonel, No. 1,119, $2,000, 10 years, 5⅝ per cent., Melfort Sinking Fund; Middleburg, No. 3,820, $1,500, 10 years, 5¾ per cent., Moorhouse & Co., Regina; Turtle Lake, No. 1,621, $4,000, 15 years, 5⅝ per cent., H. J. Birkett & Co., Regina; Vaughan, No. 319, $5,100, 20 years, 5½ per cent., H. J. Birkett & Co., Regina; St. Elmo, No. 1,108, $3,600, 15 years, 5½ per cent., C. C. Ross & Co., Regina.

NATION'S BUSINESS

(Continued from page 1)

clouded than ever for those seeking an exact definition of Canada's political position, and in view of his suggestion that we should not be in too great a hurry to define, his address may have been deliberately an avoidance of the abstruse questions involved.

Mr. Baldwin has already revealed himself as an uncommon mixture of the practical and the academic. He has shown us the qualities that have made him at once the strongest man in Britain and the most puzzling.

Had Lloyd George taken off his coat at a Canadian Club luncheon, we would have set it down as a theatrical gesture, cool and calculated "hokum." When Stanley Baldwin took off his coat, he merely revealed that Britain is changing.

• • •

THOMAS B. MACAULAY, president of the Sun Life Assurance Company of Canada, is back in Canada after having visited London to lay the cornerstone of his company's new office building there.

It will be recalled that last spring The Financial Post suggested that the offices of Canadian provincial agencies and other institutions in London should be concentrated in this building because of its location beside Canada House, office of the High Commissioner. It is pleasing to discover from Mr. Macaulay that the suggestion has borne fruit. The Royal Bank has already taken space; it is probable that the offices of the Province of Quebec and the Province of Ontario will be moved to the Sun Life building, and it is hoped to secure several other provinces. As Canada House is immediately alongside the new Sun Life building, that part of Cockspur street will be altogether Canadian. "There has already been a suggestion," Mr. Macaulay said with a smile, "that Cockspur street be renamed 'Canada street.'"

The new building of the company is in the same architectural style as Canada House and Mr. Macaulay believes that the new building enhances the beauty of the old.

Discussing the particular section of London about Trafalgar Square, the president of the Sun Life spoke of it as the probable centre for Colonial and Dominion affairs. The Canadian Pacific Railway has, of course, had offices on Trafalgar Square for some time; the Union of South Africa has moved to the square, and it is planned to find accommodation for other dominion offices in the vicinity.

Toronto Ford Hotel Stock is Offered by Buffalo Firm

Pistell, Deans and Co., of Buffalo, are making a public offering of $700,000 Ford Hotels Co., Inc., fifteen year 7 per cent. sinking fund debentures, with common stock purchase warrants. The price is par and accrued interest.

Ford Hotels Company, Inc., will be the owner of the entire capital stock, except for directors' qualifying shares, of the Ford Hotel of Erie, Pa., Inc., and the Ford Hotel Company of Toronto, Limited. It is the plan of the corporation to extend its operations in the near future to other cities of the United States and Canada.

The proceeds of this hotel issue, with additional funds from the sale of mortgage bonds and other sources, will provide funds for the purchase of real estate construction of the hotels in Erie and Toronto and for their furnishings and equipment.

The completed properties have been appraised at fair market value at $2,696,050. Estimated annual earnings, allowing for 30 per cent. vacancies, will be not less than $260,000, or more than five times the maximum interest charges on these debentures.

The company is under the direction of Richard T. Ford, originator of the Ford Hotel idea, J. P. Green, formerly of the Hotel Statler, and Elmore C. Green, president of the New York Hotel Association and for many years a Statler manager. Mr. Ford is sole owner and proprietor of the Ford Hotel, Buffalo, N.Y., and the Richford Hotel, Rochester, N.Y., both of which were constructed under his direction and have been operated successfully and profitably since their opening.

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RECENT ISSUES
Canadian National Railway
4½% Bonds - 1957
Price: 98.50 and interest to yield 4.60%
—
Bell Telephone Co. of Canada
5% Bonds - 1957
Price: 102.50 and interest to yield 4.85%
—
United Securities, Limited
5½% Bonds - 1952
Price: 100 and interest to yield 5½%
—
International Paper Company
7% Preferred Stock
Price: $100.00 per share
—
City of Sherbrooke, Quebec
4½% - 30 Year Serial Bonds
Price to yield 4.80%
—
Full particulars on request
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RENE-T. LECLERC
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Montreal:- 160, St. James St.
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Canada Gypsum & Alabastine
Limited
6% First Mortgage Bonds
Due 1942
Average annual earnings for the three years ending May 31, 1927, after deduction of operating and maintenance expenses and local taxes, and after giving effect to present financing, were $223,193 available for bond interest and depreciation. This is equivalent to about 2¾ times annual bond interest requirements.
Price: 100 and interest, to yield 6½%
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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Grand Mere, Que.	July	Royal Securities Corp.	5%	Serial	$438,000	99.69	...
Dauphin Sch., Man.	July	Alderson, De Jardin, McDonald & Co.	5½%	30-yr.	100,000	103.35	5.27
Trail, B.C.	July	Royal Securities Corp.	5%	20-yr.	100,000	99.37	...
Saskatchewan Schs.	July	Various	....	....	16,200	....	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Canada Gypsum & Alabastine	Aug.	Royal Securities Corp.	6½%	1942	$1,250,000	100	6½
Ford Hotel Co.	Aug.	Marine Trust Co., and Syndicate	6%	....	665,000	100	...
Can. Vickers	Aug.	Drury & Co., and Syndicate	6%	....	2,750,000	98½	6.10
Stock Issues—							
Conroyal Mines	Aug.	J. A. Morden & Co.	....	....	100,000 shs.	75c	...
Matthews Steamship Co.	Aug.	Wod, Gundy & Co.	6%	Serial	2,000,000	...	...

Insurance for Buyer and Seller

Protection of Business Life Insurance Man's Second Job of To-day

L. M. Bidwell Tells How Policies Protect Enterprises

SEVERAL PURPOSES

Whether for One-man Business or Corporation, Business Insurance Serves Number of Purposes

By L. M. BIDWELL, District Manager, Ontario Equitable Life and Accident Insurance Company

Next to the primary purpose of protecting the home, the most important function which life insurance performs to-day is protecting the business. The need for business insurance is by no means confined to wealthy corporations in the large cities. It exists to an even greater degree among the small partnerships which comprise the majority of the business institutions in the various urban centres scattered throughout the Dominion.

The field of business insurance is both interesting and attractive. It affords an easy method of approach, and if the sale is successfully completed it is usually for more than the average amount. On the other hand, it involves some preparation and requires the possession of a certain amount of special knowledge.

There are three classes of business with which we usually come in contact, each of which has its individual problem which has to be dealt with in a separate way. These three classes are:

1. The one-man business.
2. The partnership.
3. The corporation or limited company.

THE ONE-MAN BUSINESS

Insurance fills two vital needs in the One-Man Business.

a—It protects the credit of the business during his life.

b—It absorbs the loss occasioned through his death.

Business life insurance will enable him to secure more readily the line of credit necessary to finance the business. At any time that money is badly needed and cannot be secured through the usual source, the loan value of the policy is immediately available.

At his death it provides cash to meet the more pressing obligations, and enables the business to be carried on until it can be disposed of to good advantage. Without it, the business may depreciate 50% or more immediately upon his death. With it, it may be held up to almost its full value and no loss will be suffered. It takes up the shock of his death.

Cheapest Insurance Best

The form of policy used is immaterial. It is usually written on the whole life plan, as it is generally desirable to secure permanent protection at as low a premium as possible. The policy should be made payable to the estate, in order to leave him free to conduct any transactions with it that may be required in carrying on the business. At his death the proceeds will be used to liquidate any indebtedness, thus leaving his family free of this responsibility, and the value of the business that he has spent the greater part of his lifetime in building up will remain solvent and secure.

Should he desire that at his death the proceeds of the policy shall be paid direct to his wife, or other preferred beneficiary, and be exempt from the claims of possible creditors, he can attach a declaration to the policy appointing such person the beneficiary. This will leave him free to carry out such transactions with the policy during his lifetime as he may desire for the protection of the business, and will, at the same time, have the same effect upon his death as though he had appointed the preferred beneficiary in the policy; provided he has not assigned the policy in the meantime. Such declaration should not be filed with the insurance company, or his freedom of action during his lifetime will be defeated.

THE CORPORATION

Insurance for a corporation is usually a more simple problem to solve than for a partnership, and if the agent has thoroughly mastered the latter he should have no difficulty with the former. Our discussion will be confined to the limited liability company, as this is the basis upon which the majority of corporations with which the agent will come into contact are organized.

Different from Partnership

There are two fundamental points upon which the corporation differs from the partnership:

a—The death of a shareholder does not affect the life of the corporation.

The death of a partner automatically terminates the partnership. It has no effect upon a limited company, however, which may continue to operate indefinitely.

b—The liability of a shareholder is limited to the amount of his stock holdings.

The shareholder is not responsible for

(Continued on page 16)

Discuss Insurance for Partners Later

Business insurance is one of the most progressive and important phases of life insurance. Every year the importance of this branch of protection increases. L. M. Bidwell, of the Ontario Equitable Life, has prepared a summary of this phase of the business, a portion of which is reprinted this week, for readers of The Financial Post. The subject is treated according to the individual problems of the three main types of business: The One-Man Business; The Corporation or Limited Company; and The Partnership.

This week, the first two are dealt with, and subsequently the partnership will be discussed.

CANADIANS FOUND MUCH OF INTEREST AT LIFE CONGRESS

Keynote Was Admiration for American and Canadian Ways

By ARTHUR PEDOE, F. I. A. Actuary, Continental Life Insurance Company of Canada.

Special to The Financial Post

Some of the Canadian actuaries who attended the recent International Congress of Actuaries in London, England, have just returned while the others are on their way back. In England the whirl of social activities which accompanied the congress left the delegates rather dazed and only now can even impressions be given.

Just one hundred papers covering the prescribed subjects were presented to the congress and it will be many weeks before this huge amount of matter can be absorbed by the Actuaries and a proper perspective obtained. It is remarkable to view the divergence of practice in the various countries of the world in regard to certain phases of life insurance, a divergence due in many cases to ignorance of the advances which have been made in that particular phase in other countries. The papers will no doubt provide material for many discussions among the various actuarial societies of the world and from these discussions actuarial opinion will be crystallized and the true aim of the congress attained.

Tributes to Canada

The congress provided several opportunities for tribute to be paid to the development of life insurance in Canada and the United States. In his opening speech to the congress and in a contribution to the London "Times," the president of the congress, Sir Joseph Burn, held up the attitude of the public in Canada and the United States toward life insurance as an example and an inspiration to other countries. Due tribute was also given to the two great developments of life insurance on this continent, namely disability benefits and group insurance.

Sir Joseph Burn is the president of the Institute of Actuaries of Great Britain and the general manager of the Prudential Assurance Company (England) which is the largest life insurance company in Great Britain and which with its billion of dollars of assets and its thousands of agents covering every corner of the country, is intimately bound up with the social welfare of Great Britain. Sir Joseph Burn, who may be described as the leading actuary of Great Britain, is a great admirer of Canadian and American life insurance methods and seldom misses an opportunity of praising them. It is due largely to him that so much attention has been paid by English actuaries these last few years to developments in life insurance on this continent.

Variations in Practice

Some interesting points emerged from the papers and the discussions. In some of the countries of Europe it is customary when any applicant for insurance is found to be under-average to pass him on to a central organization or expert committee for rating and then generally each company of the group takes a part of the risk on the terms fixed. In Canada, although a central committee has made recommendations as to the rating of various impairments, yet each company uses its own judgment as to any under-average life applying to it for insurance. In industrial insurance, remarkable progress seems to have been almost universal throughout the world which is due probably to the increased purchasing power now held by the industrial as compared with the middle and professional classes throughout the world. Remarkable figures relating to industrial insurance were given for Japan where it is a government monopoly. Although it only began in 1916 it already covers about 22 per cent. of the possible population with 9½ million policies in force. The premiums are collected through the Post Office and the whole organization is entirely different to that which we are accustomed on this continent.

It was interesting to observe that group insurance is practically unknown outside Great Britain and this continent. Curiously it was only about eight years ago that group insurance was considered by actuaries in England and condemned. It was now considered there as of sufficient importance to be one of the seven subjects for discussion by the Congress and it is obvious from the papers presented that it is receiving a great deal of attention from actuaries over there.

Keen Interest in Disability

With Mutual Life

WILFRID CARLISLE

whose appointment to the post of Superintendent of Agencies of the Mutual Life of Canada was announced in last week's issue.

If there was one subject which appeared to attract more attention from the delegates than any other it was disability benefits, in the discussion of which several prominent actuaries of this continent took part. I noticed that when delegates met actuaries from this continent the subject of disability benefits invariably came into the conversation. It was truly surprising to note the divergence in practice and development as regards these benefits in various countries of Europe where it originated. However, nowhere in the world have these benefits attained the liberality and popularity that they have in Canada and the United States. Disability benefits have touched the imagination of the actuaries of the world and its development in Europe along similar lines to its development in Canada and the United States may well prove the dawn of a new era for life insurance in Europe.

There is little doubt that the congress will rank as the most important actuarial congress yet held. It is fifteen years since the last one was held during which time tremendous advances in all phases of life insurance have taken place all over the world. There is at present no means whereby English speaking actuaries can inform themselves as to developments in other countries, the language difficulty being the barrier. The congress, where most papers were given in English and translated summaries given of those which were presented in other languages, provided a unique opportunity for the actuaries of this continent to obtain a bird's eye view of the state of life insurance in the other countries of the world and of recent developments in those countries.

B. C. Exports Timothy Seed

Victoria, British Columbia—Northern British Columbia, which last year established a world-wide reputation for Timothy hay seed, will export large quantities of it this year, according to the Hon. E. D. Barrow, Minister of Agriculture, back from the north.

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Current Events in Banking World

Banks and Banking

An Historical Sketch by PROF. A. STANLEY WALKER, Halifax.

Fifth and Final Article in Series Tells Story of Development of Banking System in This Country Since Early Days

In 1760, when Canada came into British hands, the standard coin was the French écu, but paper money, much of it discredited, had, for a considerable time formed the main currency. An English Act of 1825 had attempted to introduce English sterling silver into general use in all colonies, but it failed in Canada, and a report of 1828 stated that British coin was then never seen; below Quebec occasionally a silver dollar might be found, but, on the whole, the prevalence of paper in the U. S. made it impossible to keep any other medium current in Canada. The adoption of a gold standard by the U.S. in 1834 caused a drain of gold from Canada, and silver tended to follow as a result of the condition of the exchange. A remedy was sought, unsuccessfully, in attempts to equate English silver, American eagles and Spanish dollars. It was not until 1871 that a satisfactory Canadian Dominion currency was adopted. In that year the ten dollar gold piece, Canadian and U. S. and the British sovereign became the legal standard coins, and with the opening of a branch of the Royal Mint at Ottawa in 1908 the Canadian money machine was made complete.

Copied From Scotch System

The banking system of Canada follows the methods neither of England nor the U. S., but those of Scotland, i.e., there is no central controlling institution like the Bank of England, nor has there ever been a diffusion of banking activity uncorrelated to industrial needs. Canadian banks have framed their own charters; they have suffered little from government interference and have directed their policy by common agreement among themselves. The same problems of providing currency for growing needs which troubled England and the United States had to be faced by Canada, too. Here, broadly speaking, the bankers kept the regulation of note issues in their own hands, refusing to allow government paper currency to oust their own. In consequence the paper currency of Canada has possessed a remarkable elasticity in times of need, which are periodic in any great agricultural country. At the same time, the traditional caution of Canadian bankers has forbidden needless over-issues, so that even the early history of Canadian banking tells of fewer collapses than are found in most countries. It is a proud boast that since Confederation took place no Canadian chartered bank has been allowed to go out of business owing its note-holders money.

History Is Placid in Canada

The history of Canadian banking, therefore, is, in the main, placid. Real developments began in the first quarter of the nineteenth century, when, in 1817, the Bank of Montreal was formed with a capital of $250,000. It began as a private firm with unlimited liability, but was granted a charter by the Quebec Legislature in 1821 along with the Quebec Bank and the Bank of Canada. Other banks were similarly authorized about the same time in Ontario and New Brunswick, and a little later, in Nova Scotia. All their charters were similar and upon the Scottish pattern. The principle of limited liability was introduced; no loans were to be made on land or mortgage (though such properties might be taken in payment of legitimate debt) and note issues were unlimited except for the fact that bank directors were liable for the general undertakings of their banks.

The ensuing history of Canadian banking may be described as the story of the efforts of the government to impose the English and United States systems upon banks determined to remain Scottish. Soon after the Union of 1840 a move was made to found a provincial bank of issue dominated by the government and controlled by the principles of Peel's Bank Act of 1844. It was successfully opposed. About the middle of the century, Canada, in common with other countries, experienced the disease of speculative banking, made easier to contract by the repeal of the 1837 act prohibiting the issue of notes by unchartered banks. The government now pressed a more American scheme and allowed any private bank to issue notes, on a cautionary deposit with the Receiver-General, against such issues, of provincial securities to the value of 100,000 or more. Like the United States government with its system of National Banks, the Canadian government was obviously hoping to facilitate the sale of its own securities. The act incorporating this scheme was in force until 1866, but its provisions attracted few banks, the only large one which flourished under them being the Bank of British North America. A further attempt was made in 1866 to replace bank-notes by a government issue when a bill was passed authorizing the issue of government notes to the value of $8,000,000, payable on sight in Toronto or Montreal, but legal tender elsewhere. A great effort was made to persuade banks to substitute these notes for their own, but no bank save the Bank of Montreal expressed its willingness to do so.

Confederation Year Important

The year of Confederation, 1867, was naturally as important in the history of banking as it was in other spheres of Canadian life. The new Dominion parliament now assumed full control of all matters concerning currency, coinage and banking. Provincial notes became Dominion notes, and again it was hoped that government currency might replace that of the banks. Redemption agencies were established in each of the four provincial capitals, and an Act of 1870 required the banks to keep one-third at least of their reserves in the form of Dominion notes, while the government reserved the right to issue all notes of denominations less than $4. In 1880 the banks were forbidden to issue notes of any value less than $5, and the proportion of bank reserves to be kept in Dominion notes was raised 40 per cent.

Nevertheless the bankers continued, in the main, to control their own business, and the important reforms of 1890 were made at their instigation. These reforms were suggested primarily because of the difficulty experienced in keeping note issues at par over wide areas of country, and they contained three main provisions.

The first maintained the ruling of the 1880 Act, that notes should have the first call on assets.

Secondly, a safety fund was established under the name of the Bank Circulation Redemption Fund. This was to be supported by contributions from the banks and placed in the keeping of the Minister of Finance, and was to be used to meet the note-issues of any failing banks.

Thirdly, an incentive to banks to keep their notes at par was given by the imposition of a 6 per cent. interest calculated from the day of a bank's suspension of payment until the day of resumption. The successful maintenance of opposition to government proposals for a bond-secured note-issue preserved for Canada an elastic currency.

Credit to Our Bankers

That the perils of inflation have been avoided is to be credited to the business sense of Canadian bankers themselves. In spite of the discretionary nature of Canadian note-issues which may legally be made to the full extent of a bank's capital, this legal limit has rarely even been approached. Redemption agencies established in towns in every province give bank notes a national character and the large capital needed before a bank may be opened in Canada (at least $500,000, half paid up) makes "red dog" banking impossible. An important result of this last provision has been the development of the branch system, a scheme which not only distributes ordinary banking facilities most evenly throughout Canada itself, but which has been of incalculable advantage to Canadian export-

(Continued on page 16)

(For other banking features see next page)

You Can Get These Articles in Pamphlet

There have been 5 articles in this series by Prof. A. Stanley Walker of Dalhousie University, Halifax. It is proposed to reprint them in a small pamphlet, in order that bank managers and others, desiring to keep them, may have them in convenient form for filing. You may have a copy of the reprint by sending ten cents in postage stamps as a nominal sum to cover cost of handling. Address, editor, Bank Managers Page, The Financial Post, 143 University Avenue, Toronto.

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To be dated August 1st, 1927, maturing August 1st, 1942. Principal and semi-annual interest (August 1st and February 1st) payable in Canadian gold coin or its equivalent, at The Canadian Bank of Commerce, Paris, Ont., Toronto, Montreal, Halifax, Saint John, Winnipeg and Vancouver. Coupon Bonds in denominations of $1,000 and $500, with privilege of registration as to principal. Redeemable as a whole or in part, at the option of the Company, on any interest date in any year before maturity on thirty days' notice, at 105 up to and including August 1st, 1932; thereafter at 104 up to and including August 1st, 1935; thereafter at 103 up to and including August 1st, 1938, and thereafter at 102, until maturity; in each case with accrued interest to date of redemption. Trustee: Montreal Trust Comany.

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	To be authorized	To be Issued
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Complete circular, copies of which will be supplied upon request, contains a letter from Mr. R. E. Haire, General Manager of the Company, from which the following is summarized:—

THE COMPANY: Canada Gypsum and Alabastine, Limited has been incorporated under the laws of the Dominion of Canada, to acquire through direct ownership as going concerns the assets and undertakings of The Alabastine Company, Paris, Limited, and of its wholly owned subsidiaries, The Ontario Gypsum Co. Limited and Toronto Builders' Supplies Limited; and, through ownership of its entire capital stock, control of the Nova Scotia Coal and Gypsum Company Limited. These businesses represent a continuous successful record of operation since the organization of The Alabastine Company, Paris, Limited, in 1886. Company on acquisition of these properties will be the largest manufacturer in Canada of gypsum products such as wall board, partition and roof tiles, hard wall plaster and plaster of Paris; the sole producer in Canada of "Alabastine," and in addition, a large producer of hydrated lime and other lime products.

PLANTS AND PROPERTIES: Plants and properties include mills at Caledonia, Ont., and at Montreal, Que., for the manufacture of gypsum products, including wall board, partition and roof tiles, the latter plant being situated on leasehold land; and in addition, plants at Paris, Elora and Teeswater, Ont. for the manufacture of "Alabastine," plaster, lime, etc. The Company's principal gypsum mine adjoins the Caledonia mill. An additional developed mine is owned, with a plant in conjunction, at Lythmore, Ont., and a further gypsum mine is owned at Mabou, N.S., by the Nova Scotia Coal and Gypsum Company Limited. These plants are well situated with relation to the principal manufacturing and consuming centres of Canada.

SALES AND MARKETS: Consolidated sales increased from approximately $30,000 in 1895 to approximately $1,250,000 in 1922. During the subsequent five years to May 31st, 1927, sales increased by approximately 100% to $2,347,841, largely through the development of "Gyproc" Wall Board, "Insulex," Gypsum Blocks and other gypsum products, which are nationally known and advertised. Certain of these products are manufactured under valuable patents and trademarks. An aggressive sales policy has been followed, and the products are marketed by an efficient dealers' organization throughout Canada.

VALUE OF ASSETS: Fixed assets of the Company, including land, buildings, equipment, mines and mine development, have a present value, according to the certificate of the Canadian Appraisal Company, Limited, as at June 10th, 1927, of $2,162,336, exclusive of investment in and advances to the Nova Scotia Coal and Gypsum Company Limited. Net current assets, on giving effect to this transaction, as at May 31st, 1927, according to the Company's balance sheet, after deduction of all current liabilities, were $420,517.74, since which date a dividend of $44,056.50 has been paid. The Trust Deed securing these bonds will provide that the Company shall pay no dividends upon its capital stock nor make any capital expenditures when its net current assets (after deduction of current liabilities) are less than $400,000, or when payment thereof would have the effect of reducing net current assets below that amount.

EARNINGS: Based upon annual earnings of properties now being acquired, average annual earnings for the three years ended May 31st, 1927, after deduction of operating and maintenance expenses and local taxes, and after giving effect to this financing, were $223,193, available for bond interest and depreciation. Earnings on the same basis for the year ended May 31st, 1927, were $248,846, before depreciation and available for bond interest of $81,250 on First Mortgage Bonds now being issued, equivalent to over three times annual bond interest requirements. Earnings for 1927 reflect only in part the result of substantial sums expended in plant additions and improvement and development work during the past two years. The result of these expenditures should be favourably reflected in the Company's earnings for the current year.

SINKING FUND: The Trust Deed will provide for an annual cumulative sinking fund which, it is estimated, will be sufficient to retire at par, by maturity, an amount equivalent to over 60% of Bonds now being issued.

We offer these Bonds for delivery if, as and when issued and received by us, and subject to the approval of counsel of all proceedings, at—

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GREAT EXPANSION TOBACCO INDUSTRY IS NOW EXPECTED

Export Demand Taxing the Present Canadian Production

All factors are combining to promise a great future for tobacco growing in Canada, which is evident in the eyes which are turned from south of the international border upon Canadian possibilities, says the C. P. R. monthly bulletin. The export market is taking increasing supplies and taxing present Canadian production. Canada's tobacco exports in the last fiscal year had a total value of $2,726,347, as compared with $1,180,540 in the preceding year, and $879,369 in the year before that. Exports from Canada to the United Kingdom in the last month of the fiscal year had a value of $674,440, or approximately equal to the entire exports of the year 1924-25.

Complete government returns covering the 1926 crop show that in that year the Dominion produced 28,824,000 pounds of tobacco on 33,356 acres, an average of 864 pounds per acre. This was the highest acreage ever planted to tobacco in Canada and one of the highest yields ever secured. It failed to create a Canadian record as, due to inclement weather, the average was lower than ever in tobacco-growing history. In Ontario the 23,493 acres planted to tobacco had never been reached before, while Quebec, with 9,808 acres, just began to recover from the slump following its peak of 22,360 acres in 1919 and 15,302 acres in 1923. British Columbia on 55 acres produced 67,000 pounds, this being an average acreage and crop. The total estimated value of the Dominion tobacco crop was $7,379,000, to which Ontario contributed $5,540,000, Quebec $1,825,000, and British Columbia $14,000.

This year a considerably larger acreage has been set out and the prospects are that the Canadian tobacco crop will be much larger. The Ontario acreage runs to 45,000 acres, or double that of 1926, due to new lands brought under production by provincial farmers and newcomers from the United States. The Quebec acreage is estimated at about 10,000 acres, a little larger than that of 1926, 500 acres being devoted to cigar tobacco, 3,000 acres to small pipe and 2,000 acres to large pipe tobacco. In British Columbia the acreage is estimated at 1,500 acres, a remarkable increase over last year and all previous years.

New Era Now Dawning

The present year may be said to see the ushering in of a new era in Canadian tobacco growing, for the efforts at extension last year are just beginning to have effect, as it is generally found necessary to have a few years' experience with soil and climate to thoroughly establish the industry. This has been the case in Ontario where new land planted last year had little effect on the annual crop. The influence, however, will be greater this year. The Quebec Government efforts to induce growers to concentrate upon the production of types in demand for export are bearing fruit and the prospects are for a better quality crop this year. British Columbia is going ahead with boundless enthusiasm under sound direction, and tobacco growing having spread from a single spot in the Okanagan all over that valley and into other valleys of the interior is being tested as to possibility along the Pacific coast.

The not inconsiderable invasion of tobacco growers from the tobacco states of the Union into Ontario in the past winter and summer is believed to be but the vanguard of a much larger army which will transfer its activities across the border in the future, as Canada seizes a larger share of the United Kingdom market. "The U. S. tobacco grower realizes that he must seek a new field where growing and marketing conditions are better," recently stated the chief field man of the Ross Tobacco Company, of St. Thomas, Ont. "They naturally look to Canada, where the industry is in its infancy, where the soil has not been depleted, and where the British preferential tariff makes growing profitable. The migration from Kentucky and the Tobacco-growing states has only begun."

Land Values Increasing

This naturally draws attention to the values of tobacco lands in Canada. According to Dominion Government information, tobacco land can be purchased in Quebec at from $100 to $250 per acre, and in other parts of Canada at from $100 to $1,000 per acre. There is a great deal of variation in the price of tobacco lands in the Dominion, dependent upon the location of the property, the type of soil, and the kind of tobacco grown in the district. According to the Ontario Department of Agriculture, good tobacco land in Essex and Kent counties, the two outstanding producing areas of the province, can be bought for from $150 to $300 per acre, but it states that this opportunity may not last much longer, as the stimulus of successful crops is already being felt. It is only natural that lands which will successfully produce tobacco, in all parts of the Dominion, will experience a steady rise in price from now on.

WILL TORIES TRY TO WIN FAVOR OF OLD QUEBEC?

(Continued from page 1)

abandoned the practice of making them. Such a forecast about Canadian politics in the year 1919 would certainly have outlined a very dark and difficult future for the Liberal party; three-fourths of its parliamentary strength was derived from the province of Quebec, whose imperfect sympathy with the national war effort had antagonised the rest of Canada and in many provinces the Liberal organisation had been reduced to groups of embittered partisans, who were for the moment chiefly intent upon wreaking vengeance upon the separated brethren known as Liberal-Unionists.

Looked Bright for Tories?

On the other hand, the skilful and effective leadership, which Sir Robert Borden had accorded the country during the critical war years, had accumulated a large fund of prestige for his party, and it seemed as if he had ensured for it a long lease of popular favor. However, by the middle of 1919 the Union Ministry has practically completed the tasks for which it had been given a mandate and it speedily became susceptible to influences of dissolution. If Sir Robert Borden had not been worn out by his arduous exertions in the war years and had not also developed a certain intelligible aversion to the manoeuvres and bargainings which are involved in party management, he would probably have put his Coalition Ministry upon a permanent basis and created a unified party organisation to sustain it. Indeed, in the spring of 1919 one of the shrewdest Conservative newspaper men in the country wrote a letter to the Manitoba Free Press, then a supporter of the Coalition in which he urged that a process of permanent consolidation should be applied to the forces which had supported the Union Government and that for the achievement of this end mutual concessions and accommodations between the eastern and western supporters of the Ministry were needed.

Advice Was Not Taken

The advice was sound and far-seeing but it passed unheeded. Sir Robert Borden alone had the moral authority, which could have secured the necessary concessions from the different sections of his following, but the strain of his seriously impaired health predisposed him to a life of tranquility and eventually compelled his retirement from public life in 1920. Nobody else seems to have thought it worth their while to make any serious effort to weld together in a permanent unity the elements which supported the Coalition and with the departure of Sir Robert from the stage the forces of dissolution had free play. Some Liberal-Unionists, like Mr. Guthrie and Dr. Manion, remained permanently with the Conservative party but the majority of their brethren either reverted to their original allegiance or joined the new Progressive party. At the general election of 1921, the Conservative party and its leader, Mr. Meighen, found itself thrown back largely upon its own resources and faced with the unforgiving hostility of Quebec, the most fundamentally conservative community in the Dominion.

Harvest of Political Tares

There had been no lack of warnings given to the Conservative party about the dangers with which it was faced. On Tuesday, March 19, 1918, the Hon. Charles Murphy, speaking in the debate on the Address, solemnly but bluntly told the Government and its supporters that during the previous election they had sown a seed which would sooner or later yield them a harvest of political tares:

"For Mr. Speaker," said Mr. Murphy, "mark what has happened and what is in store for us. The seeds of distrust and hatred were sown wide and deep; the crop will not be of this year's reaping nor of next; nor in my belief will it be gathered within the present generation; for, Sir, I venture to say that long after all those engaged in sowing these seeds shall have passed away, the fruits of their evil labors will continue to spring up to the confusion, embroilment and division of Canadians who will have to deal with the survivors and descendants of the three millions of people who either were disfranchised or whose religion was attacked and insulted for the purpose of gaining a victory at the polls."

Quebec Has Remained Aloof

The Conservative party has since had bitter cause to realise the grim truth of this prediction for Quebec had manifested to it a most unforgiving spirit and shown itself deaf to all the varied blandishments which have been applied for its placation. At none of the last three Federal elections has the Conservative party been able to capture more than four out of the 65 seats and in the provincial field its helplessness was abundantly demonstrated last June.

Here, then, is the fundamental factor in our political situation. The Conservative party has become for the time being antipathetic to the most conservative element in the country and the old equilibrium of Canadian politics has been completely destroyed. Mr. Meighen spared no effort in his wooing of Quebec and, indeed, he incurred the severe criticism of many supporters in other provinces for the ardor with which he pursued it. But he failed to win forgiveness and his failure was the primary cause of his resignation of the Conservative leadership for he was able to command a very substantial majority in the rest of the country. Mr. Meighen has retired into private life but the problem which baffled him remains and it is still the chief preoccupation of the directors of the destinies of the Conservative party. At Winnipeg they must come to decision whether they will embark upon another effort to reclaim Quebec for Conservatism or abandon the enterprise and mould their strategy on different lines. By their decision upon this point the eventual choice of the party leader will be largely determined and under present conditions his selection will be a much more important matter than the evolution of a new party programme.

English Group Establish Woollen Mill on Coast

By Staff Editor

VANCOUVER.—Vancouver will have a woollen mill before the end of the year.

English interests, affiliated with a local group, will establish a mill here which, while somewhat small, will be complete. Machinery has been shipped from England and a suitable building has been procured in the city.

It is believed that Vancouver will prove itself to be strategically advantageous for woollen manufacture. Most fabrics are built from woollens imported from the Orient or Australia and blended with the domestic product. With the port of Vancouver growing in importance in its connections with Australia and the Orient, it is contended that these materials can be drawn cheaply from all sources of supply as conveniently as Bradford in England itself is served.

PROTECTION OF LIFE INSURANCE MAN'S SECOND JOB OF TO-DAY

(Continued from page 14)

the liabilities of the company, except to the extent of any amount unpaid on his his stock. If his stock is fully paid for he has no further responsibility as far as the liabilities of the company are concerned. The only exception to this in Canada is in the case of bank stock, where the shareholder is liable to the extent of double the amount of his stock holdings.

There are several important functions which life insurance can perform in a limited company, by taking care of contingencies which can be provided for as satisfactorily in no other way. Each of these will be considered briefly in their order.

Reasons for Such Protection

First let us consider purposes during life:

a—To strengthen credit and stabilize the business.

It very frequently happens that the successful operation of the company depends upon the special knowledge or ability of one or more men. Credit is extended to the company largely on the reputation these men have acquired to conduct the company's affairs successfully. Insurance carried on their lives by the company will have a favorable reaction upon the creditors. Various applications of this principle occur, such as the owner of a patent or of some special process of manufacture.

b—To create a sinking fund.

Endowment insurance may be carried on the lives of one or more shareholders to retire a bond issue, protect a mortgage or provide for some special liability.

Now we will consider purposes at death:

a—To take up the shock occasioned by the loss of a valuable member of the company.

This is probably the most common purpose for which life insurance is taken by a limited company. In the event of the death of an important member of the company, the efficiency of the plant might suffer, a considerable outlay might be entailed in securing his successor, and the credit of the company might be curtailed.

b—To purchase the stock of the deceased shareholder.

In the case of a close corporation it is usually desirable for the survivors to acquire the deceased member's shares. Otherwise they may get into undesirable hands or may be purchased by a rival concern. Even if they are retained by the estate, interference by the executors may impair the smooth running of the organization. The same difficulty may arise in a corporation having a large number of shareholders, where a majority of the stock is in the hands of one or two men. By placing insurance on the lives of these men their holdings may be acquired, and the control of the company remain intact.

How Insurance Does It

a. In the case of the first three of the four purposes mentioned, the problem is very simply solved. The Corporation applies for insurance on the life of the person involved for the amount necessary to cover the hazard. Although it is not essential, the person insured should consent to the insurance by signing the application together with the officials of the corporation. The Corporation is named as "beneficiary for value," and pays the premiums. Upon the death of the person insured the insurance is paid to the Corporation and the purpose is accomplished.

b. In the case of the last purpose—where stock is to be bought—the problem is not quite so simple. A limited company has no insurable interest in a shareholder as such, and is prohibited by law from purchasing its own stock. It is therefore necessary to eliminate the company from the transaction, and handle it through the individuals. There are two ways in which this can be done:

First—In the case of a close corporation a policy of insurance is applied for on the life of each member by the remaining members, naming themselves as "beneficiaries for value," for an amount equivalent to his stock-holding. The applicants pay the premium out of their own funds. An agreement is executed by the individuals, providing for the transfer of the stock upon payment of the proceeds of the insurance policy.

While this method is quite satisfactory as long as entire harmony exists among the members of the company, complications may ensue should some disagreement arise.

Second—Each member of the company endorses his stock to a trustee, receiving back a trustee's certificate. Insurance is applied for on the life of each member by the other members, in the same manner as outlined above. The policies are assigned to the trustee, and a trust agreement is executed defining the action to be taken upon the death of one of the members.

A Typical Outline

This is the most satisfactory method of overcoming the difficulties which are liable to arise in a transaction of this kind. The writer is indebted to the Security Trust Company of Detroit for the following outline covering the case of a close corporation consisting of three members.

Outline of Stock Purchase Agreement

Three parties are associated in a personal service corporation. Each owns one-third of the stock. The business, as conducted by them, is specialized, and depends upon their own personal effort.

One or more parties may die, and their estate becomes interested. Therefore a mutual arrangement is desired to continue the business as effectively as possible in the event of such contingency.

Each party endorses his stock and delivers it to a trust company. The trust company will issue back to them trustee's certificates therefor, with voting rights.

These certificates are subject to all terms of agreement.

Each party agrees to sell his stock to the survivors.

The trustee is empowered to effect such transfer.

If any party dies in current year he agrees to sell to survivors at the price, we will say, of $125 per share, payable within sixty days after death, to the trust company trustee. The stock remains with trustee until payment is made. Proportionate deliveries may be made.

Survivors agree to buy at $125 per share. If payment is not made within 60 days, trustee may sell the stock free of the agreement. If less than $125 per share is realized, survivors agree to make up deficiency.

Each year the parties submit a price to govern for the ensuing year. The last named price governs, if they fail to submit a new one.

To carry out the agreement effectively, first and third parties agree to procure insurance on the life of the second party, payable to themselves, and assign it to the trustee—they paying the premiums. This money is to apply on the purchase price of the stock interest of second party at his death, they to make up any difference.

Similarly, first and second parties insure third party, and second and third parties insure first party.

If one party dies, survivors can determine whether to continue the agreement between themselves. If they decide to terminate it, they may cancel the remaining policies and one-third the cash surrender value of each policy goes to decedent's estate. The balance is divided between the survivors. If the agreement is continued, they pay proportionate cash surrender value to said estate.

Agreement can also be terminated by all three, if desired.

If any party dies, trustee calls in his trust certificate.

Each party retains one share as a qualifying share, but such share is also bound by trustee, and may be called in at death.

If new stock is issued, it must also be deposited and like trustee's certificate issued.

If any party withdraws from the firm, he gives the other two a thirty-day option at the upset price. If exercised, method of payment is specified.

The agreement is binding upon the heirs, executors, etc. of all parties.

BANKS AND BANKING

(Continued from page 15)

ers by the reason of the establishment of branches in every part of the Empire (as well as outside) where Canadian products find a market. Moreover, these "foreign" branches have not, as might be imagined, detracted from the efficiency of the mother banks at home. A closely concerted organization under a comparatively few men of tried ability has actually attracted more in deposits than has been granted by way of commercial loans.

Banker Association Valuable

The incorporation, in 1900, of the Canadian Bankers' Association, originally organized in 1892 upon a voluntary basis, considerably strengthened the hands of the banking fraternity. It carried authority to establish clearing houses, to regulate note-issues and to take over the management of suspended banks, subject to the approval of the Treasury Board. There is much to be proud of in the Canadian system of banking. Its unity of policy between the leading banks is invaluable in times of stringency; its even distribution of facilities all over the Dominion is not to be excelled anywhere, while the note-issue system, which is as elastic as can be desired, while it avoids the dangers of inflation, has been developed with an ease and efficiency not to be paralleled elsewhere.

Staff Gossip

Clarence Hoffman left to take up his new duties with the Canadian Bank of Commerce at Portage la Prairie.—Record, Rainy River.

• • •

The staff of the Bank of Montreal recently presented Albert Parr, who has left to take a position with the bank at Paisley, with a fountain pen.—Herald, Hespeler.

• • •

John Tanner, who has been a member of the Bank of Commerce branch here for the past year, has left for Melfort, Sask., where he has been transferred. He will be succeeded here by O. Riddle, of Moose Jaw.—World-Spectator, Moosomin.

Bank of Commerce

A branch of the Canadian Bank of Commerce has been opened at Vancouver by S. S. Petrie, in premises situated near the southwest corner of Broadway and Mackenzie Street, the centre of an area which during the past few years has shown rapid growth. An active business section has been developed and the provision of banking facilities will prove of great assistance to merchants and residents in the vicinity.—Province, Vancouver.

Bank of Toronto

The Bank of Toronto has opened a branch at Wood Mountain, Sask., under the management of G. M. Simpson, formerly of the Meyronne, Sask., branch.

The weighted index numbers of the 25 best-selling industrial and public utility common stocks on the Montreal and Toronto Exchanges. computed by the Dominion Bureau of Statistics, was 358.7 last week, as compared with 344.8 for the week ending July 23.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities

	July 29 1926	July 28 1927
Halifax	$ 2,862,257	$2,740,086
St. John	2,867,836	2,357,768
Moncton	809,274	847,130
Sherbrooke	835,794	819,736
Quebec	5,724,466	5,040,425
Montreal	80,966,153	99,600,366
Ottawa	4,801,412	5,502,472
Kingston	676,421	828,611
Peterboro'	713,020	743,527
Toronto	81,774,691	94,607,144
Hamilton	4,878,163	4,906,712
Brantford	1,037,675	1,025,157
London	2,180,891	2,657,885
Chatham	626,399	603,148
Kitchener	834,671	1,018,073
Sarnia	539,177	......
Windsor	4,552,886	4,474,176

Western Cities

	July 29 1926	July 28 1927
Fort William	$ 919,382	$ 1,057,289
Winnipeg	43,652,938	43,839,741
Brandon	561,068	608,244
Regina	3,088,501	3,822,501
Moose Jaw	982,754	1,224,278
Saskatoon	2,360,153	......
Prince Albert	366,781	387,313
Lethbridge	509,297	454,337
Calgary	5,586,127	7,850,022
Edmonton	4,412,953	4,640,503
Medicine Hat	232,633	225,705
New Westminster	740,104	787,268
Vancouver	16,567,267	16,493,623
Victoria	1,930,091	1,980,944

Monthly Bank Clearings

(In comparison with same month last year).

Eastern Cities

	July, 1926	July, 1927
Halifax	$ 15,424,060	$ 13,507,850
St. John	12,215,174	11,272,547
Moncton	3,926,847	3,959,108
Sherbrooke	4,076,926	3,900,074
Quebec	30,342,302	28,530,382
Montreal	448,554,042	526,598,746
Ottawa	27,998,815	27,913,053
Kingston	3,672,060	3,906,208
Peterboro'	3,734,377	3,716,865
Toronto	422,711,980	442,311,738
Hamilton	23,678,157	24,625,336
Brantford	5,197,232	5,436,626
London	11,965,073	13,225,308
Chatham	3,125,375	3,223,306
Kitchener	4,059,376	4,676,248

Western Cities

	July, 1926	July, 1927
Fort William	$ 4,108,905	$ 4,484,009
Winnipeg	......	214,086,007
Brandon	2,759,905	2,664,410
Saskatoon	8,659,197	8,880,025
Regina	17,509,990	
Moose Jaw	5,195,395	5,528,347
Prince Albert	1,629,081	1,665,447
Lethbridge	......	2,291,068
Calgary	......	31,790,547
Edmonton	21,072,277	......
Medicine Hat	1,344,179	......
N. Westminster	3,589,395	......
Vancouver	75,669,048	74,185,560
Victoria	10,369,404	10,369,406

Dental Building

Additional Real Estate Bond Review

The Dental Building of the Bishop Realty Co., is a new addition to the rapidly growing list of specialized buildings. Although only completed a short time, rentings to date have been very satisfactory. Similar buildings in Toronto and Montreal have been successful and there is every reason to believe that the Dental Building will share the same measure of success as the others.

The property of the company is located at the corner of St. Catherine and Bishop Streets, in the city of Montreal. In the past few years, the trend of business in Montreal has been westward and this property is even now in the centre of a new business area. The building is of reinforced concrete construction, fireproof in every respect and furnished with the most modern equipment.

At the present time, this is the only building in Montreal specially equipped for the use of dentists.

Bond Issues

Authorized and issued $300,000. Callable at 105 to Feb. 1, 1932; 104 to 1937; 103 to 1942; 102 to maturity.

Secured by first mortgage on all property. Sinking Fund—$9,000 p.a., and 7 per cent. on all bonds redeemed, commencing Feb. 1, 1930, sufficient to retire all bonds before maturity.

Trustee—Montreal Trust Co., Montreal.

STANDARD CHEMICAL DEFICIT IS $925,000

Pamphlet report of Standard Chemical Company was presented to shareholders the other day. The figures were reviewed in The Financial Post of June 3, but the complete report was not released for publication at that time.

As previously indicated, net profit after depreciation amounted to $4,676, as against a loss of $73,580 in the previous year and $270,478 in the year before that. The 1927 report covers the usual fiscal year to March 31.

Profit and Loss

Yr. end, Mar 31	1927	1926	1925
Profit	$194,980	$ 34,835	x$158,333
Deduct:			
Interest	30,303	33,416	37,146
Depreciation	160,000	75,000	75,000
Net profit	4,676	x73,580	x270,479
Prev. deficit	930,485	856,904	586,425
Deficit	925,809	930,484	856,904

x Loss.

Standard Chemical shareholders meet August 11 to vote on reorganization plans.

FOREIGN EXCHANGES

Exchange Market is More Buoyant

Canadian funds are still being discounted, the rate ranging around 5-32 during the greater part of the week. Recent shipments of gold did not have the effect of strengthening up the exchange and the resumption of pressure against Canadian funds, has caused the prediction that gold may begin again to flow to the United States from this country. A reversal of present conditions is expected early in the fall, when Canadian commodities begin to move to the American market in larger volume.

The tone of the market as a whole in the past few days has been very buoyant. Sterling rose to $4.85⅝, a new high for several weeks. This was brought about largely as a result of lower money rates and the opinion that some arrangement has been entered into by the Bank of England to counteract the usual autumnal pressure on sterling without shipping large sums of gold. French francs gained a fraction and advanced to the highest point in many weeks; guilders moved up to a new high for the year. Swiss francs also took a jump upward and German marks improved slightly.

It is now expected that another European currency will be stabilized. The Greek Finance Minister recently stated that one-third of the £9,000,000 League of Nations loan to be issued by Greece this fall will be set aside, together with about £3,500,000 in foreign currencies already accumulated by the National Bank of Greece, for stabilization of drachma. The internal position of the country has been much improved in the past few months and expenditures have been cut down so that the budget is expected to show a substantial surplus.

Other currencies on the list continued steady and quiet.

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last year High (Discount)	Last year Low (Discount)
July 28	5-64	1-16	11-64	3-16
July 29	7-64	1-16	3-16	3-16
July 30	7-64	7-64	5-32	3-16
Aug. 1	...	...	9-64	5-32
Aug. 2	5-32	9-64	...	...
Aug. 3	5-32	1-8	1-8	9-64

Sterling, Francs and Lire

	Sterling close	Francs close	Lire close
July 28	4.85¼	3.91⅛	5.43½
July 29	4.85¼	3.91 5/16	5.43
July 30	4.85¼	3.91	5.43
Aug. 1	4.85¼	3.91⅜	5.43½
Aug. 2	4.85¼	3.91⅜	5.43½
Aug. 3	4.85⅝	3.91⅜	5.43½

FOREIGN EXCHANGE

Par		July 27	Aug. 3
13.90	Italian	5.44½	5.45
32.45	Brazilian	11.85	11.84
23.82	German	23.81	23.83
19.30	Belgian	13.91	13.92
84.85	Japan	47.05	47.50

The Melville Public School District No. 2187

will receive offers up to Wednesday, the 10th day of August, 1927, at twelve o'clock noon for $30,000.00 thirty-year debentures repayable in equal annual instalments, interest and principal, 6%.

A. L. PARKER,
Sec.-Treas., Melville, Sask.

Canadian Car & Foundry Co., Limited, Montreal

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the paid-up Preference Stock of the Company for the quarter ending September 30th, 1927, has been declared, payable on the 10th day of October, 1927, to Shareholders of record on the 26th day of September, 1927.

By Order of the Board,
A. C. BOURNE,
Secretary.
Montreal, July 28th, 1927.

THE SHAW SCHOOL COURSES in Municipal Accounting, Economics, Exporting, Banking and Higher Accounting for Degrees by Home Study Plans are engaging the spare time of many wide-awake young Canadians. Particulars cheerfully supplied. Inquiry solicited. Write W. S. Ferguson, C.A., Chief Director, Dept. P, Bay and Bloor Streets, Toronto.

WANTED—Manager for Toronto by Canadian Life Assurance Company. One who can organize and produce business. Salary and commission. Good opportunity.
Box 84, The Financial Post, Toronto, Ont.

CAPITAL wanted for manufacturing proposition. Would be glad to furnish fullest information.
This is a first class business proposition, as the improvement is far in advance of the present processes
Competition not feared. Possibilities of profits great. Further information given on interview.
Apply Box 90, The Financial Post, Toronto.

We wish to connect with some real security salesmen who are capable of offering to the public listed securities that are paying dividends.
Highest type of man wanted. Drawing account arranged.
This is a splendid opportunity for a real salesman.
Box 96, The Financial Post, Toronto, Ont.

THE
A. W. Chase Company
LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular 2% quarterly dividend on the 8% preferred stock of this Company has been declared for the quarter ending July 31st, 1927, payable Aug. 10th, 1927, to shareholders of record July 31st, 1927.

By order of the board.
W. J. STONE,
President.
Toronto, July 28, 1927.

INTERNATIONAL PAPER COMPANY

The Board of Directors have declared a quarterly dividend of Sixty Cents (60c.) a share on the Common Stock of this Company, payable August 15, 1927, to Common Stockholders of record at the close of business August 1st, 1927.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Vice-President and Treasurer,
New York, June 29, 1927.

WAYAGAMACK PULP & PAPER COMPANY LIMITED

Dividend No. 10

Notice is hereby given that a Dividend of seventy-five cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending August 31st, 1927, payable September 1st, 1927, to Shareholders of record at the close of business on August 15th, 1927.

By order of the Board.
D. L. ADAMS,
Secretary-Treasurer.
Montreal, Que., July 21st, 1927.

The Canadian Bank of Commerce

Dividend No. 162

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1927, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1927. The transfer books will not be closed.

By order of the Board.
S. H. LOGAN,
General Manager.
Toronto, 15th July, 1927.

Manufacturers Finance Corporation, Limited.

DIVIDEND No. 10

Notice is hereby given that a dividend of 4 per cent. (being at the rate of 8 per cent. per annum) upon paid-up Preference shares of this Corporation has been declared for the half-year ending July 31st, 1927, payable on the 15th day of August, 1927, to Shareholders of record June 30th, 1927.

By Order of the Board.
W. M. McDONALD,
Secretary-Treasurer.
Toronto, Aug. 2nd, 1927.

"Better"
Kennedy Castings
From your own patterns or to your drawings, in all metals, cast iron up to 20 tons; in cast steel up to 3 tons. Our pattern shops are at your disposal.
The Wm. Kennedy & Sons Limited
OWEN SOUND, ONTARIO
Representatives at Cobalt, Toronto, Montreal, Halifax, Winnipeg and Vancouver.

Featuring Real Estate Mortgage Bonds
THE FINANCIAL POST
Special Section 17-24
PUBLICATION OFFICE: TORONTO, AUGUST 5, 1927
Special Section 17-24

Over $45,000,000 in Bonds Sold to Finance Real Estate Enterprises

Mortgage Bond Situation in Canada is Excellent, But Care Needed to See That Abuses Do Not Arise as in the United States

Scarce half a dozen years have passed, since the first real estate mortgage bond issue was placed in Canada on a project purely Canadian. Yet in that short time, over $40,000,000 has been secured through this medium to aid in the construction of office, apartment, garage, hotel, and other buildings. There is scarcely a city of any importance throughout the Dominion, which cannot claim a building financed through the sale of bonds based on real estate securities.

Such remarkable growth in the popularity of the real estate mortgage bond could not have occurred, had not the method been basically sound. Moreover, it is the small investor who is putting up the money for the erection of magnificent buildings. The day when one man would take up a mortgage on a building is past. Real estate enterprises to-day are on a scale of such magnitude that the responsibility of raising the necessary capital has resulted in the establishment of a number of bond houses, whose activities are devoted solely to this end.

Bond Houses Act as Bankers

Then again, there has grown out of the steady demand for mortgage bonds, the type of house that acts as a banker for the small investor, who, when savings have accumulated to a certain amount, in turn purchases the real estate securities sponsored by his banker. Thus this type of bond house is capable of drawing upon a huge reserve of steady capital in order to finance legitimate building enterprises. No matter how big the proposition is, or the amount of money required, the promoter need not be afraid of being unable to carry his scheme through to the finish for lack of necessary finances.

In the past twelve months, the number of real estate mortgage bond issues placed on the Canadian market has exceeded all previous records. Some of the issues were for small amounts, in many cases less than $100,000. Others were for several millions, but the popularity of this type of security, has enabled the issuing houses to secure ready distribution. There has also been a diversity of issues. Apartment house financing led in point of volume and also value. Business building issues were frequent. Hotels, hospitals, garages, and other types of buildings also came in for attention.

High Yield is Attractive

The principal reason for the popularity of real estate bonds, has undoubtedly been the high yield offered and the ability of the investor to purchase the bonds in any denomination from $50 to the standard $1,000. The substantial margin of safety has also been a determining factor, while the fact that there has not been a major issue "go bad" has built up a strong belief in the safety of this type of bond.

This latter statement has been of immeasurable value in bringing about the ready absorption of new issues. There has been no major calamity in the Canadian real estate mortgage bond situation like that of the G.L. Miller Co., of New York. Bond houses in Canada have been careful in providing for liberal safeguards in all phases of underwriting, so that the investor is assured of the utmost in protection.

In view of the large amount of money available for investment, and the popularity of real estate issues, it seems that the time is at hand, when the Canadian bond houses should exercise the most extreme cautiousness in preventing any abuses which would "sour" the market. Under present conditions, there is the greatest temptation for irresponsible bond houses to foist upon the public real estate mortgage bonds on an enterprise basically unsound.

It may be thought that such an event is unlikely, but the United States bond houses passed through a period of remarkable expansion such as Canada has been experiencing in the last five years and though every means has been taken to protect the investor, certain abuses have crept in which threaten to do a great deal of damage to real estate interests unless promptly curtailed.

Lay Down General Principles

Within the past few months, a special committee of the National Association of Real Estate Boards has undertaken an investigation and to propose measures to remedy certain practices of some underwriters of mortgage bonds. As a result, this committee recommended a number of general principles for the guidance of first mortgage bond houses. These are as follows:

(1) That speculative risks should not be assumed by holders of first mortgage bonds.

(2) That money held for specific construction should be absolutely protected against appropriation for other purposes.

(3) That the loans represented by bond issues sold to the public should be limited to an amount which experience has demonstrated is safe and conservative.

(4) That circulars and advertisements should fully, frankly and adequately disclose all pertinent information relative to the issue offered.

(5) That the title "First Mortgage Real Estate Bonds" should be used only when the bonds are a first lien on both land and building, and that lease-hold bonds should invariably be so characterized.

(6) That mortgage houses should assume full responsibility for appraisals on which they base their issues.

(7) That every real estate bond issue should provide for amortization of the debt, to offset depreciation and obsolescence and to liquidate the debt in an orderly manner.

(8) That all appraisals should be conservative, taking into account both physical valuation and earning power.

Insofar as the Canadian situation is concerned, recent bond issues have been singularly clear of any mispractices. The experiences of the American houses have been closely watched and methods proven unsound, have been quickly rectified. There is no reason why the financing of building projects should not be as great in the next twelve months as they have been in the past. There is more money available now for legitimate investment than in any other previous period. Keeping faith with the public is the prime requisite of the real estate mortgage bond house, now or at any other time.

AUTOMOBILE HOTEL HELPS SOLVE THE PARKING PROBLEM

Latest Development Appears Successful in Relieving Congestion

Fifteen years ago, the problem of parking automobiles in downtown areas of the large cities was not a matter to give concern or even a passing thought. To-day, it is the major problem in civic transportation. Widening of streets has been carried out in a number of cities to relieve congestion. This is an expensive procedure, and in many cities not entirely feasible. One way street traffic has been instituted, time limit set for parking, electric signal control systems installed, and the speed of traveling stepped up.

While these measures have been successful to a degree, the parking problem is still a long way from being solved. Business houses in the downtown districts particularly feel the restrictions placed on parking of motor vehicles. Business men now find it inconvenient to take their automobiles to their office of business, as frequently they have to park the car many blocks away from their office, causing loss of time and inconvenience.

Saturation Long Way Off

It has been frequently said that the saturation point in the use of automobiles is not far distant. This was said five years or more ago, but still the number of motors in use increases. New outlets are being opened up constantly, prices are being lowered, and it seems that the saturation point will be reached only when everyone has a car. The only apparent danger of saturation, however, lies in the capacity of city streets, which are put to it to meet the growing traffic and parking demands. Many of the larger cities are remedying the traffic problem through building wide interconnecting boulevards as well as by-path thoroughfares so that traffic can be cleared without too much dead-ending or aggravating congestion and delay.

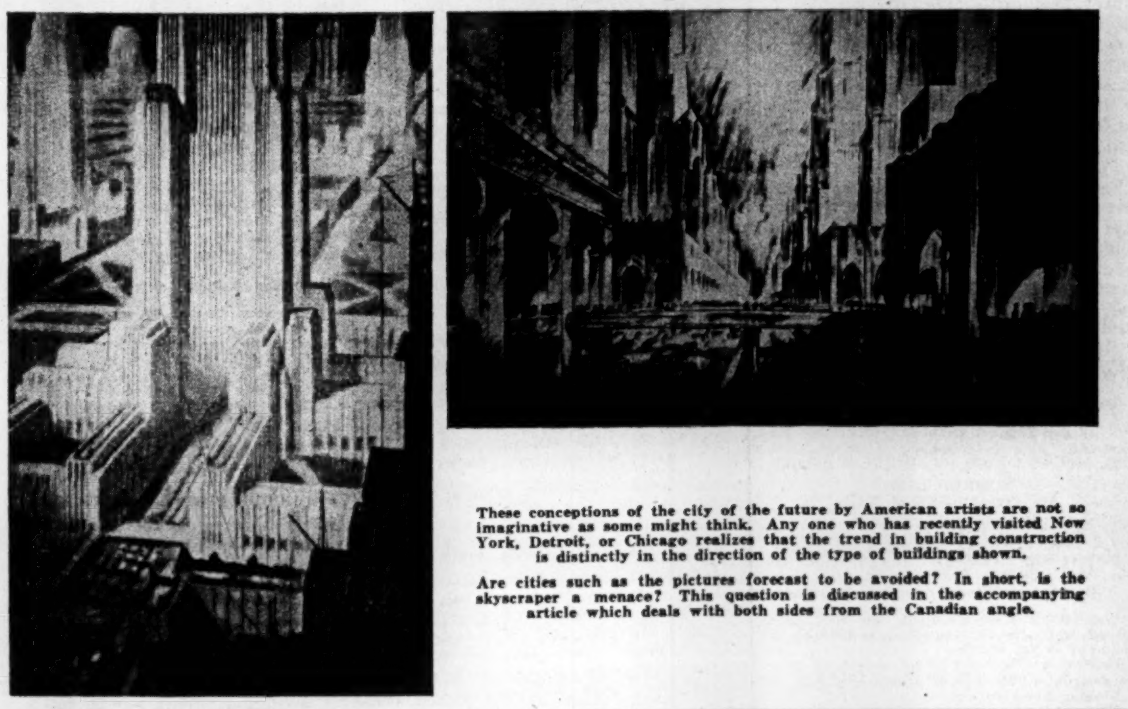
This move has been of tremendous help in avoiding traffic tie-ups, but the question of parking is still a long way from being solved. In the past two or three years, however, a new development has taken place, which has proved highly popular and has been the means of enabling many business men to take their cars to the office and park them within a short distance of their place of business. This is the establishment of the downtown parking hotel.

Downtown Parking Hotels

These buildings are located in the centre of business blocks or near large department stores or other points where traffic is congested. Many of them are huge structures. Several of those recently erected in Toronto and Montreal are capable of handling from 400 to 600 cars at a time. Moreover, some of the large departmental stores have likewise displayed their ingenuity in providing parking for their customers. Eaton's and Simpton's both maintain parking space and garages in Toronto for the convenience of their customers. Eaton's have gone a step further. At their main Toronto store you may step out of your car where a chauffeur will drive your machine away to the nearby parking space and return it whenever you have completed your shopping. In addition, many of the newer office buildings provide parking space for their tenants in the basement of

(Continued on page 24)

DOES CANADA WANT BIG BUILDINGS LIKE THESE?



These conceptions of the city of the future by American artists are not so imaginative as some might think. Any one who has recently visited New York, Detroit, or Chicago realizes that the trend in building construction is distinctly in the direction of the type of buildings shown.

Are cities such as the pictures forecast to be avoided? In short, is the skyscraper a menace? This question is discussed in the accompanying article which deals with both sides from the Canadian angle.

What is Economic Height for Building?

As United States Finds Answer to This Question Our Own Problems Will Be Solved—Views of Chief Spokesmen for Each Side

By FLOYD S. CHALMERS

On more than one occasion Canadian cities have come up against the plain question, how high shall we allow buildings to go? Montreal has fixed a limit and that limit is such that 11 stories is all that can be crowded in. Yet even Montreal permits towers and pylon-like central structures that enable the skies to be scraped at around 30 stories. Toronto has nothing over 23 stories and, so far as is known, has never turned down any project for a structure higher than that. Other Canadian cities have not had to face the sky-scraper problem directly as yet and it may be that before they have to do so American controversy on the subject will have boiled down into a solution of the problem.

Learn From U. S. Experience

Thus Canada stands to benefit from American research into the skyscraper problem and upon related studies such as traffic, lighting and air conditions, etc. We can learn from Uncle Sam's city builders and architects. The discussion is at a high pitch now in the United States. The most vocal of the opponents of the skyscraper is Major Henry H. Curran, counsel for the New York City Club. I listened to Curran debate the skyscraper problem with Harvey Wiley Corbett at a recent luncheon gathering in Washington. Corbett is one of the best of American architects and is the creator of many of New York's most imposing and beautiful skyscrapers.

Calls Scrapers Mistake

Major Curran considers the skyscraper a mistake, a thief of light and air and the direct cause of city congestion.

The Mayor of New York has just appointed a committee of five hundred citizens to get to the bottom of the congestion problem, with especial attention to skyscrapers.

Outspoken citizens in Boston, Philadelphia, Washington, Chicago, Detroit, Grand Rapids, Los Angeles and Dallas have recently given anxious voice to their fears that their own cities will repeat what they conceive to be New York's greatest mistake.

This interesting manufacture of human discomfort by the skyscrapers and their acolytes, the subways, is no longer local to New York. In Los Angeles it is now proposed to build subways in order that the workers of that city may travel like moles under ground as in New York. In Los Angeles, too, the skyscrapers have filled the surface streets with their teeming crowds; so it is time to build new streets, under ground!

"But is that right?" asks Curran in an article in this month's Nation's Business, of Washington. "Is it more sensible, perhaps, to control the clustering of the skyscrapers—to limit the cubical human contents of a given volume of air—the density of workaday population—so that the need for underground travel does not come to pass? Better, perhaps, to practice prevention and escape the cost of cure? To strike at the root of the disease, rather than let it run to its limit and try to keep pace with it and live?"

Now a 110 Storey Building

He continues:

"In Detroit a fortuned family is building an 85-story skyscraper—higher than any now in existence—in the very centre of the city's most intense congestion. At the same time the City of Detroit is planning her first subways to serve the skyscrapers already clustered there. All the little taxpayers and rentpayers of Detroit will join in hearing the cost of subways dedicated to the service of a few score affluent skyscrapers and all they will get for their expensive eminence will be more crowding, more discomfort.

"And now, to pile Ossa on Pelion, a New York architect announces a building of 110 stories! This inverted spy-glass is to rise 1,200 feet in the air, thus outstripping not only Detroit's effort but also the Eiffel Tower in Paris, which is still the highest piece of construction in the world. If the spy-glass were to grow in the green meadows of a vacant valley, it would harm only the looks of the valley. Instead it picks a roost in 42nd Street, New York, where the seething of human congestion is already beyond all bounds of comfort and even safety."

Limiting Building Heights

But some cities have called a halt, says Curran, who points out that Boston and Washington have curbed skyscraper construction:

"Cleveland has hastily planned a temporary, stop-gap zoning law to stop excesses until she can put through a law that is matured and comprehensive. In Australia, the cities of Sydney and Melbourne have weighed the pros and cons of skyscrapers and have now forbidden them entirely. Europe has stuck to her age-old refusal in the face of the most urgent attempts to lift the lid. Paris has gone farther and lopped off two stories from the top of a hotel which had mounted beyond the allowed level of buildings near the Arc de Triomphe.

"Apart from government action, there is a growing disposition among private interests to go slow in their skyscraping. A beautiful old house of the Vanderbilts at 52nd Street and 5th Avenue, in New York, was recently torn down to make way for a 30-story skyscraper. The new owner suddenly changed his mind. He has just finished a 5-story building instead and already finds it a financial improvement over the prospective hazard of the 30-story venture.

"There is an old adage that in buildings the money is near the ground. It is still true. With exceptions that serve only to prove the rule, the higher rates of return come from the lower stories. There are some who have not yet learned this rule. They are likely to do so soon to their financial cost."

Wants More Small Centres

As, Major Curran sees the remedy, it is this:

"The trouble is not mere concentration. All cities are centrations. It is too much concentration. What we need in our cities is a lot of little concentrations rather than one big one.

"We can plan outskirts and suburbs of garden city homes, with office or factory not too near the home, and yet within short shot of it—say a mile by foot or surface car, instead of 20 miles by crawling motor or suffocating subway. We can gradually resolve our cities into constellations of small, comfortable and self-sufficient constituent communities.

"Is it not the duty of a city government to guide a city's structural growth, and guide it in time, rather than let it pile up pell-mell in the middle and then try to extricate itself from its own laissez-faire embarrassment?

Rises to Defend High Buildings

But Mr. Corbett, as spokesman for the skyscraper school does not see any need to become unduly excited.

"The opponents of the skyscraper have become so thoroughly imbued with a fanatical zeal that, like most reformers, they are totally blind in one eye. Their distress over the plight of the poor pedestrian and the still more unfortunate motorist at rush hours makes them see the skyscraper problem only in its length and breadth—never in its height. And height, strange to say, is the most interesting thing about the skyscraper. The fact that the tall building, eight hours per day, renders an economic service in concentration and efficiency never before possible in the history of man, escapes their notice entirely," said Mr. Corbett in the debate I referred to.

The skyscraper has proven its economic efficiency and that is why it has survived, declares Mr. Corbett. One advantage he claims for it is that it brings people more closely together, thus speeding up the consummation of business deals. "From the twenty-eighth story of the Equitable Building to the tenth floor of the Banker's Trust is a quick jump be-

(Continued on page 24)

Medical Building Has Come to Stay

Doctors and dentists believe in the old adage "birds" of a feather flock together," inasmuch as their flocking proclivities are so pronounced that the specialized office building designed for the occupancy of the medical or dental profession has come to stay. While the medical and dental buildings are increasing in popularity, it is the east, rather than the west that is supplying the demand for such specialized buildings.

The specialized building for medical tenancy, however, is a recent product. The first record of a major building of this type, goes back only to 1909 when the Cobb building of Seattle was constructed.

TRUST RESTRICTED AS TO MORTGAGE BOND INVESTMENT

Ontario Companies Comply With Ruling of Text

One of the largest and best markets for the sale of real estate mortgage bonds in recent years, has been through the trust companies. The high yield is a particular attraction. Moreover, the trust companies are in position to hold the securities until maturity, being more concerned in securing a good return on money invested rather than looking for a quick turnover on a few points advance in the value of the bonds.

While the trust companies are perfectly free to invest their surplus monies in any manner which they desire, handling of trust funds, insofar as real estate mortgage bonds is concerned, takes on a different complexion. The question recently came up as to whether trust companies, especially those with Ontario charter, were prohibited from investing trust funds in first mortgage bonds in a new company when such company has no record of past earnings.

The opinion given is that a trust company could not invest in first mortgage bonds of a new company, because mortgage bonds are not a first charge, but only a partial charge having to share the first charge with many other holders, and, therefore, investing companies could not control the security. If money is lent, say $2,000 as a first mortgage on a cottage, the lender has control of the security. If, however, only $100 was loaned on one of the twenty bonds on the same cottage, every holder or the majority of them would have to agree before foreclosure could be obtained.

Act Limits Investment

It is quite true that if large enough numbers of bonds were purchased a control might be had, but this is prohibited by the Loan and Trust Corporations Act of Ontario, which sets the limit on the amount of investment which can be made in the stock or debenture of any one corporation of any corporation or incorporated company.

At the same time another point came up for consideration. It frequently happens that real estate mortgage bond issue is advertised as being a legal investment for insurance companies. This happened in the case where an office building in Toronto was so advertised and owing to the opinion as set forth above, the issuing bond house had of necessity to withdraw the statement in question.

Plan $4,000,000 Apartment

Plans have been drawn for the Chateau Benvenuto, a $4,000,000 apartment house to be erected on the site of the late Sir William Mackenzie's Toronto residence.

REAL ESTATE BOND ISSUE RESTS UPON APPRAISAL WORTH

Soundness of Valuation is Matter of Great Moment

VALUES NEVER FINAL

Establishment of Standards for Issuing Bonds and Protection of Investors Carried Out by National Board

Soundness of the appraisal upon which a real estate mortgage bond issue is based, is the foundation of soundness of the bond itself. This fact cannot be too strongly stressed upon the prospective investor, when analysing the security back of an issue. Too often, the importance of this item is overlooked in favor of high yields and other attractive features. Yet in the final summing up of the worthiness or unworthiness of a mortgage bond, the opinion of others upon the value of land or buildings is frequently taken on its face value.

Final and absolute proofs of value are never possible and for this reason responsible bond houses have two and even more independent appraisals of a property before finally sanctioning it as a first rate risk. Many investors, however, who should be better informed, still think that an appraisal is only a matter of form and called for when the law or some other matter requires a valuation by an established real estate firm or expert realty man acquainted with the class of property they are asked to appraise. In addition many people have the idea that there are several forms of appraisal—one for taxes, another for mortgage purposes and another for bond issues and so on.

No Definite Rule Laid Down

There is no definite rule laid down whereby an appraisal can be made which would be satisfactory to all. Each one interested, has his own ideas as to the value of a piece of property or building. Consequently then, opinions expressed by an independent appraiser of proven worth, on the land and property values, has to be taken on its face value and time only can prove or disprove of the accuracy of his judgment. Even city assessments are not always a sure guide as to real value, because booms or sudden rises take place caused by speculation.

According to Pell Thompson, of Pease and Elliman, Inc., certain factors should be taken into consideration. These should include surrounding conditions as to improvements and betterments that are being made in the neighborhood, if any; trend of business and social activities, whether likely to enhance or detract from value; transportation and neighborhood conveniences making for satisfactory tenancy; amount of income that could be reasonably expected from the property, when land is encumbered by an inadequate structure renting at a low rental on account of lack of upkeep and improvements and usefulness, or encumbered with a lease or such terms as may take away from the free disposal of the property should such be necessary, thereby detracting from sales value. Income can at times be disregarded provided possession can be had. Allowing for these conditions, then, the appraiser, using his knowledge, can express pretty fairly an opinion of value at the time of the appraisal.

Must Look Into the Future

An appraiser has to look far into the future and constantly remember the past. He must consider the constant depreciation and obsolescence of the building even if kept up to a high state of efficiency. He must remember that within a few years it enters into competition with newer and more up-to-date structures and possible loss of revenue—also consider to the best of his ability whether changing uses may not likely crop up that will make the best of the property suffer as neighborhoods change in character and tenants move elsewhere, perhaps requiring extensive alterations. In an ordinary mortgage of three or five years these conditions do not look big, but in the bond issue mortgage greater care must be taken.

Assessments for taxes do not show the true value. High pressure selling doesn't show true value. Auction sales do not show true value. Booms may crack over night. Building cost fluctuate. An appraiser must keep posted as well as he can by such means as he commands, and if he is honest, his appraisal will be pretty nearly correct.

New Principles Recommended

The problem of securing adequate appraisals is not a new one by any means. Reputable bond houses have had to contend with it for many years. Even to-day, the problem is not entirely on a satisfactory basis. The National Association of Real Estate Boards, has given considerable thought to the question and has recommended certain principles for the guidance of its members in Canada and the United States, as follows:

(1) No appraiser should accept an order for a valuation for which his employment is contingent upon his appraisal reaching a certain value.

(2) The practice of having one appraiser make the valuation of land and another of the building and using the total of the two as the true value is unsound, and is condemned, as is also the practice of basing the appraisal entirely on the capitalized value of the net in-

(Continued on page 24)

Business Building Bonds

Barrington Street Realties

The interest payment due July 1 last and subsequent payment of interest on the bonds of the Barrington Street Realties is being met by the investment house which originally sponsored the bond issue. The company owns a block of land and a block of buildings known as the Wentzell Block, situated in the centre of the city of Halifax, Nova Scotia. This building has a total rentable area of some 40.000 square feet. The present financial difficulty in which the company now finds itself is due solely to one factor, namely the financial troubles of one of the largest users of space in the building.

Investment interest on the building centres on the bond issue, which is well secured, as there is a large junior stock interest in the property. Ultimately, it may become necessary for the bondholders to foreclose their mortgage and to sell the property. Should this take place there seems to be little doubt that such a sale would net more than sufficient to meet the entire claims of the bondholders.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Par
Pref. 7% cum.	$100,000	$ 76,000	$100
Common	100,000	100,000	100

FUNDED DEBT

7 Per Cent. First Mortgage Bonds

Dated July 1, 1928; due July 1, 1938. Interest payable Jan. and July 1.

Authorized $200,000; issued $160.000. Callable at 107¼ to June 30, 1928; 105 to 1933; 103 to 1936; 101 to maturity.

Secured by first mortgage on properties and on life insurance policies on four lives (see sinking fund), and by first charge on net revenue.

Sinking fund provided by assignment of life insurance policies maturing 1935, for $100,000. On payment of last assurance premium, or in event of policies being sold, assigned, transferred or surrendered, the company will pay to the trustee 2½ per cent. of bonds outstanding, and 7 per cent. of bonds previously redeemed.

Trustee—Eastern Trust Co., Halifax, N. S.

Bay-Adelaide Garage

The increasing popularity of the downtown garage has led to the formation of the Bay-Adelaide Garage for the purpose of constructing a modern 520 car garage at Bay and Adelaide Streets, in the city of Toronto. This is an excellent location and in view of the success of similar undertakings in the city, it is anticipated that revenues from this venture will be up to expectations.

An issue of $400,000, 6½ per cent. first mortgage, 20 year, bonds has been placed on the market by Stewart, Scully Co. The property has been leased for twenty-one years to Toronto United Garages, Ltd., who will operate the garage, at an average rental of $62,976 per year, plus municipal taxes and fire insurance. The lease is renewable at the option of the lessee every twenty-one years in perpetuity. As only $26.000 per annum is required to meet bond interest payments, it will be seen that rentals are nearly two and a half times requirements.

Capitalization

6½% 1st mtge bonds	$400,000
6½% 2nd mtge. bonds	50,000
7% preferred stock	100,000
Common, no par value	15,000 shs.

Bond Issues—$400,000, 6½ per cent. first mortgage sinking fund gold bonds, dated Apr. 15, 1927, due Apr. 15, 1947. Coupon bonds in denominations of $1,000, $500 and $100.

Sinking Fund—Of $9,800 per annum, plus interest on bonds redeemed, commencing April 15, 1928, will be sufficient to retire the whole issue at maturity.

First offered April, 1927, at 98.50 and accrued interest, yielding about 6.65 per cent.

$50,000, 6½ per cent. second mortgage sinking fund gold bonds.

Bloor and Bay Building

The idea is steadily gaining headway in Toronto that the business district is turning northwards and that in a very short time, the district around Bloor and Yonge and Bloor and Bay, will become the centre of the shopping district. Although progress has been made in that direction, it must be admitted that it will be several years before that statement is borne out.

One of the large buildings erected at Bloor and Bay, is the Bloor Building. Primarily designed for business offices, it has been experiencing trouble in renting its space. At present, the greater part of the building is vacant and though strenuous efforts have been made to secure tenants, little success has been met with. Its financial position cannot be said to be good, as revenues are small; in fact, much lower than operating expenses.

From present indications, it appears that the owners of this building will have to carry it for some time to come. Revenues, of course, will increase as this district becomes more popular with the business man and merchant. In the meantime as the bonds are guaranteed by United Bond Company investors are well protected.

FUNDED DEBT

7 Per Cent. First Mortgage Bonds

Dated April 15, 1926; due: $20,000 in 1928; $30,000 in 1929; $35,000 yearly from 1930 to 1935; $390,000 in 1936.

Authorized and issued $650,000.

Secured by first closed mortgage on properties. Interest and principal guaranteed by United Bond Co.

Booth Buildings

Although the earnings of the Booth building and the Jackson building in Ottawa are not made public, yet the bonds on the property are regarded as a good investment, which is secured not only by a mortgage on the property, land and buildings, but also by the personal guarantee as to principal, interest and sinking fund of C. Jackson Booth, the well known Ottawa pulp and paper and lumber man.

The Booth Buildings are not owned by a company, but are owned by C. J. Booth of Ottawa. The mortgage covers both buildings.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated April 1, 1922; due April 1, 1937. Interest payable April and Oct. 1.

Authorized and issued $750,000 (closed). Callable at 105 to April 1, 1932; thereafter at par.

Secured by first mortgage on land, building and equipment of Jackson Building (9-storey office building on Bank and Slater Sts.) and on Booth Building.

Sinking Fund—April, 1924-1929, 2 per cent.; 1930-1935, 4 per cent.; 1936-1937, 5 per cent.

Trustee—The Royal Trust Co.

Border Cities Company

The bonds of the Border Cities Co. cover real estate and are secured by sales already made, and, in addition, first lien on balance due, as well as other properties owned by the company. All payments are collected by a trust company and are more than sufficient to pay interest and sinking fund charges.

The outstanding factor in favor of these bonds, is the industrial expansion which has taken place in the Border Cities, and which promises to take place for some time. Moreover, the erection of a bridge between Windsor and Detroit will further add to the advantages of Windsor as a residential city, and should help to appreciate value of many of the Border City Co.'s properties.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7 per cent.	$904,500	$904,500	$100
Common	904,500	904,500	100

Controlling interest held by Gundy & Gundy.

FUNDED DEBT

7½ Per Cent. Serial Bonds

Dated Sept. 1, 1921; due Sept. 1, 1924-1941.

Authorized and issued $850,000.

7% First Mortgage Sinking Fund Bonds

Mature May 1, 1923 inclusive. Interest payable May and Nov. 1.

Authorized and issued $500,000. Callable at 102.

Secured by first mortgage on real estate already sold, the title to which is held by the company in fee simple.

Guarantee—Payment of principal and interest guaranteed by firm of Gundy & Gundy.

Sinking Fund provided.

Trustee—Union Trust Co., Ltd., Toronto.

Canada Housing Corpn.

Organized in Toronto for the purpose of building workmen's homes in the city, the Canada Housing Corp., of late years, has not been very active. The company has erected a number of houses of a value from $4,500 to $5,000 and either rents or sells these to workmen.

FUNDED DEBT

6½ Per Cent. Mortgage Bonds

Dated May 1, 1923; due May 1, 1943. Interest payable May and Nov. 1.

Authorized $2,000,000; issued $600,000; outstanding $150,000. Callable at 103 after May 1, 1928.

Secured by first charge on all assets, by mortgage on houses built, additionally secured by covenant of mortgagor on every home mortgage.

Sinking Fund—3 per cent. of bonds outstanding at maturity.

Trustee—Montreal Trust Co.

Canadian Property Co.

The bonds of the Canadian Property Co., are secured by a first mortgage on twenty-one buildings, formerly used as bank premises by the Home Bank of Canada. These buildings and land are located in Toronto and twelve other principal cities in Canada.

Until the failure of the bank, these properties were leased for twenty years. At the sale of the assets of the bank, however, S. W. Straus and Co. bought in the premises for the protection of the bondholders. It is not known as to what measure of success has been achieved in disposing or renting the properties, but under the Straus plan interest and other charges of the Canadian Property Co., are being taken care of.

BOND ISSUE

$1,300,000 first mortgage serial gold bonds, graduated coupon. Serial 2 to 20 years. Interest payable June and Dec. 1. First offered June, 1923, at par and accrued interest.

Castle Building

The St. Catherine-Stanley Realty Corporation owns and operates the recently completed Castle Building, located in the heart of the uptown business section of Montreal. Already, the building is more than 75 per cent. rented and the revenues from the present occupancy alone are more than sufficient to meet the interest requirements of the bond issue. The total valuation of the property amounts to nearly $1.600.000, as compared with the outstanding mortgage bond issue of $1.000.000. The building is modern in every respect, is eleven storeys in height and is fireproof. The upper floors are rented as offices and the ground floor is rented to retail stores.

Before the erection of the Castle Building it was thought that there was not much demand for office space in the uptown business section of Montreal, but the results which the St. Catherine-Stanley Realty Corporation has achieved, indicate that there is a satisfactory demand for this type of accommodation.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7%	$400,000 $	400,000	$100
Common	5,000 shs.	5,000 shs.	n.p.v.

Capital stock issued to owners of land in payment therefor.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated May 1, 1926; due May 1, 1946. Interest payable Nov. and May 1.

Authorized (closed); issued $1,000,000. Callable at 105 to Nov. 1, 1934; 103 to 1939; 102 to maturity.

Secured by first mortgage on entire property.

Sinking Fund—$20,000 annually, and interest on bonds redeemed, commencing May 1, 1929, payable half-yearly.

Trustee—Montreal Trust Co., Montreal.

Commonwealth Building

The Commonwealth Building, owned and operated by the Downtown Realty Co., is located at the corner of King and Victoria Streets in the centre of the business and financial district of Toronto. The building contains stores on the ground floor with offices above, four floors being used for this purpose. The basement and first floor at the back of the building has been converted for use as a motor parking station.

The desirable location of the property has enabled the operators to rent the available space with little trouble. Earnings have been consistent, and bond interest and other requirements have been taken care of regularly.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 8 per cent.	$250,000 $	165,000	$100
Common	250,000	165,000	100

Preferred callable at 105.

Note—Original owners hold mortgage for $300,000 at 6 per cent. interest, payable at rate of $10,000 p.a. after 8 years.

Confederation Building

The Godfrey Realty Corporation has awarded the contract for the construction of the Confederation Building. The land which the company owns is located in the heart of Montreal's uptown business and retail district. The new building will be eleven stories in height and the valuation of both land and building totals $2,371,850. The revenue from the building available for bond interest, after allowing for 10 per cent. vacancies is estimated at $191,000 as against the bond interest requirements of $60,000.

FUNDED DEBT

6% First Mortgage Sinking Fund Bonds

Dated June 1, 1927; due June 1, 1942. Interest payable June and Dec. 1.

Authorized and issued $1,500,000. Callable at 105 to June 1, 1932; 104 to 1937; 103 to maturity.

Secured by first mortgage on property.

Sinking Fund—$30,000 annually and interest on bonds redeemed, commencing June 1, 1930, payable half-yearly.

First offered June, 1927, at 98 and accrued interest, to yield over 6.20%.

Granite Club, Ltd.

Granite Club, Ltd., is the successor of the Granite Curling Club, which has been in successful operation in Toronto for the past fifty-four years.

Last year, it was decided to secure new quarters to provide for additional sport and social activities and to this end, a very fine club house was erected on St. Clair Avenue. Many of the most prominent business men in the city are supporting the club and its financial position has always been of the best.

Membership of the club last year was over 1,250. Since then, however, it has increased considerably and further additions have been made to the property in order to take care of the larger membership. For the five and one-half months ended April 30 last, Granite Club, Ltd., showed a net profit, after all charges, of $27,288.

FUNDED DEBT

6½ Per Cent. First Mortgage Sinking Fund Bonds

Dated May 1, 1926; due May 1, 1941. Interest payable May and Nov. 1.

Authorized (closed); issued $275,000. Callable at 105 in 1926, reducing annually by ¼ of 1 per cent. to 102.

Secured by first mortgage on properties and by a floating charge on all other assets.

Sinking Fund—Sufficient to redeem $150,000 by maturity.

Trustee—The Trusts and Guarantee Co., Ltd., Toronto.

Hermes Building

The Hermes Bldg. is already more than two-thirds rented although the building is still under construction. The rentals which have been made are sufficient to pay operating, first mortgage, bond interest and to leave a surplus of some $22,000 applicable to the general mortgage bonds and the common shares. The investment interest in the company centres only on the first mortgage issue.

The new building is located close to one of the most valuable and busiest corners in Montreal. It will be eleven stories in height and will be used for stores, offices and lofts. The building is owned by a company bearing the name Garment Centre Capitol, Incorporated.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	$400,000 $	363,000	$100

FUNDED DEBT

6½ Per Cent. First Mortgage Bonds

Dated Mar. 1, 1927; due Mar. 1, 1942. Interest payable Sept. and Mar. 1.

Authorized and issued $600,000. Callable at 103 to Mar. 1, 1932; 102 to 1937; 101 to maturity.

Secured by first mortgage on property and by first charge on revenue therefrom.

Sinking Fund—Commencing Feb. 1, 1931, initial payment of $14,000 increasing annually to $27,500 in 1942, sufficient to retire 40 per cent. of issue by maturity.

Trustee—Royal Trust Co., Montreal.

7 Per Cent. General Mortgage Bonds

Due 1937.

Authorized and issued $50,000.

Insurance Exchange

The Insurance Exchange Building was completed early in 1924, and during the initial period of its operation there were many vacancies. But as the structure is Montreal's largest office building and occupies one of the most strategic positions in the heart of the financial district, the number of vacancies in the building has steadily declined. The bonds have been guaranteed by the investment house which carried out the financing. The rental situation of the building is now on a satisfactory basis.

FUNDED DEBT

6½% First Mortgage Serial Coupon Bonds

Dated Jan. 15, 1923; due serially Jan. 15, 1925 to 1938. Interest payable Jan. and July 15.

Authorized and issued $2,200,000. Callable at 107½ to Jan. 15, 1924; decreasing by ½ of 1 per cent. annually to 102.

Secured by first mortgage in properties, and first lien on revenue therefrom.

The bonds are a direct obligation of the Insurance Exchange Corp., Ltd., Montreal, and are safeguarded under the Straus plan.

First offered Jan., 1923, at par and accrued interest.

Keefer Building

The Keefer Building meets the demand for up-to-date office space in the uptown district of the city of Montreal. During the operations of the first year or so rentals were slow, but during the past year over 90 per cent. of the floor space has been rented. Professional firms or manufacturers' agents find the Keefer Building well suited to their requirements.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	$1,000,000 $	500,000	$100

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated June 1, 1923; due June 1, 1943. Interest payable June and Dec. 1.

Authorized (closed); issued $750,000. Callable as whole after May 31, 1933, and in part for sinking fund purposes only, after May 31, 1927, at 105.

Secured by first mortgage on properties and assets.

Sinking Fund—Annually $15,000 from 1926-1932 inclusive; $22,500 from 1933-1942 inclusive; plus interest on bonds redeemed.

Reserve Fund—$50,000 to be accumulated out of annual income before payment of dividends on capital stock.

Trustee—Montreal Trust Co., Montreal.

Second Mortgage Bonds—Authorized and issued $50,000.

La Patrie Publishing

The issue of bonds covering the building of La Patrie Publishing Company is well secured, as an appraisal of the property gives it an indicated value of about $1,000,000. The newspaper is an evening daily in Montreal

(Continued on page 19)

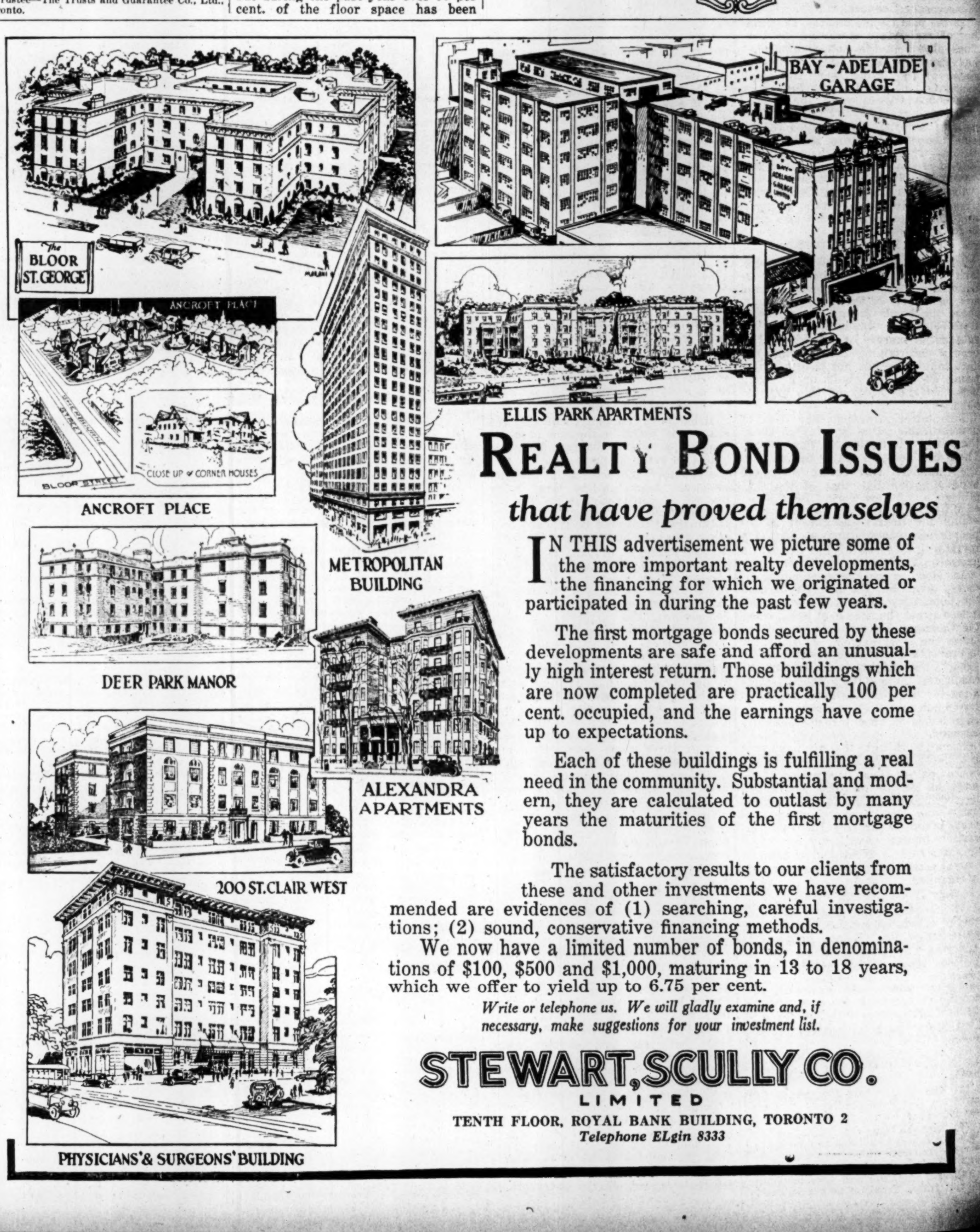
Trustee of Bond Mortgages

Many of the requisites of a sound investment are combined in a good real estate mortgage bond — one is a Trust Company as Trustee with the necessary experience and technical knowledge to discharge the duties satisfactorily.

This Company has a well-equipped Trusts Department and wide experience in acting in this capacity.

CHARTERED TRUST & Executor Company
46 King Street West, Toronto

Hon. W. A. CHARLTON, President
JOHN J. GIBSON, Gen. Manager
STRENGTH SERVICE SECURITY
W. S. MORDEN, K.C., Vice-President and Manager of Trusts Department.



REALTY BOND ISSUES
that have proved themselves

IN THIS advertisement we picture some of the more important realty developments, the financing for which we originated or participated in during the past few years.

The first mortgage bonds secured by these developments are safe and afford an unusually high interest return. Those buildings which are now completed are practically 100 per cent. occupied, and the earnings have come up to expectations.

Each of these buildings is fulfilling a real need in the community. Substantial and modern, they are calculated to outlast by many years the maturities of the first mortgage bonds.

The satisfactory results to our clients from these and other investments we have recommended are evidences of (1) searching, careful investigations; (2) sound, conservative financing methods.

We now have a limited number of bonds, in denominations of $100, $500 and $1,000, maturing in 13 to 18 years, which we offer to yield up to 6.75 per cent.

Write or telephone us. We will gladly examine and, if necessary, make suggestions for your investment list.

STEWART, SCULLY CO.
LIMITED
TENTH FLOOR, ROYAL BANK BUILDING, TORONTO 2
Telephone ELgin 8333

Business Building Bonds

LA PATRIE PUBLISHING

(Continued from page 18)

which has made exceptional strides over the past few years and has become well established amongst Montreal French-Canadian business and social leaders. The building is located in the centre of the French-Canadian business district. The position of the paper is satisfactory.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Par
Pref. 6½%	$125,000	$ 103,000	$100
Common	500,000	375,000	100

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated Jan. 1, 1923; due Jan. 1, 1943. Interest payable Jan. and July 1.

Authorized (closed) $500,000. Outstanding, $446,460. Callable at 105.

Secured by first mortgage on land, building and equipment (except horses and delivery wagons), and by floating charge on all other assets.

Sinking Fund—1 per cent. of bonds issued commencing Jan. 1, 1925, annually to Jan. 1, 1929; thereafter 2 per cent. p.a.; plus one-half amount of dividends on common shares until outstanding bonds reduced to $350,000.

Trustee—Montreal Trust Co.

Manufacturers' Building

Although still in the course of construction, nearly fifty per cent. of the total available space on completion, has already been rented in the Manufacturers Building. A few tenants are even now occupying the building and it is expected that when completed, the whole building will be occupied on favorable long term leases.

The building is primarily designed for manufacturers' agents and concerns engaged in light manufacturing. With only a few minutes of the Toronto Union Station, it is in admirable position to offer the maximum conveniences and services to its occupants. Construction is modern in every particular. All stairs are enclosed in non-combustile materials; sprinkler system installed throughout; ample light provided by windows in all four walls; passenger and freight elevators, etc.

FUNDED DEBT

7 Per Cent. First Mortgage Serial Bonds

Dated Oct. 15, 1926; due serially 1928-1933. Interest payable Apr. and Oct. 15.

Authorized and issued $144,000. Callable at 103.

Secured by first mortgage on entire property.

Guaranteed by United Bond Co.

Trustees—London & Western Trusts Co., London, Ont.

Marcus Loew's

The first real estate bond issue recorded as placed in the Canadian market was a first mortgage serial issue on Marcus Loew's Theatres, Ltd., sold in 1919. The bonds have been maturing annually from 1921 to 1934. The bonds in question over the two Loew's theatres on Yonge Street, one near Queen and other near Bloor. The combined properties are stated to be worth close to $2,000,000.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. (7% cum.)	$1,000,000	$653,900	$100
Common	750,000	750,000	100

Both stocks listed on Toronto Stock Exchange.

Preferred shareholders are entitled to 110 upon dissolution, before payments to ordinary shareholders. Also redeemable at 115 and accrued dividends.

Dividends — Preferred — 7% cumulative. None paid since Dec., 1922.

FUNDED DEBT

(1) **6% First Mortgage Serial Gold Bonds**—

Dated June 1, 1919; due $43,000 annually, June 1, 1926 to 1934 inclusive.

Interest payable June and Dec. 1.

Authorized $1,500,000; issued $600,000; outstanding $345,720.

Secured by first mortgage on all the company's property and a floating charge on all other assets. Callable at 105.

Trustee—Toronto General Trusts Corp.

Listed on Toronto Stock Exchange.

(2) **8% Five-Year Gold Notes**—

Dated Sept. 1, 1921; due Sept., 1926. Interest payable March and Sept. 1.

Authorized and issued, $400,000; pledged, $150,000; outstanding, $800.

Secured by a second mortgage on all the company's assets. Callable at 105.

Trustee—Toronto General Trusts Corp.

Medical Arts Building

The Medical Arts Building, owned and operated by the Sherbrooke Street Realty Corporation, has made increased profits during the past year as compared with the preceding 12 months' period. The building provides office space and hospital accommodation for physicians, dentists, surgeons, nurses and other professional people. One of the storeys in the building is entirely given over to a hospital. There are few vacancies.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 8%	$ 400,000	$ 363,500	$100
Common	600,000	600,000	100

FUNDED DEBT

8% First Mortgage Sinking Fund Bonds

Outstanding $524,500. Dated May 1, 1923; due May 1, 1937, but called for payment Nov. 1, 1925, at 110.

6½% First Mortgage Sinking Fund Bonds

Dated Nov. 1, 1925; due Nov. 1, 1940. Interest payable May and November 1. Authorized (closed); issued $675,000. Callable at 105 to November 1, 1930; 103 to 1935; 101 to maturity.

Secured by first mortgage on properties, and by floating charge on revenue therefrom.

Sinking fund—2% of bonds issued, and interest on bonds redeemed, payable half-yearly, commencing Nov. 1, 1927.

Trustee—Montreal Trust Co., Montreal.

8% Second Mortgage Income Bonds

Dated October 1, 1923; due October 1, 1938. Interest (cum.) payable April and October 1.

Authorized and issued, $150,000.

Trustee—National Trust Co., Montreal.

Metropolitan Building

In the past few months, the Metropolitan Building has achieved the distinction of being 100 per cent. rented. Ordinarily this would not be unusual, but when it is considered that this is the largest office building in the British Empire, then the significance of this statement is better appreciated.

It is rather worthy of note that gross revenues of the building and net earnings are now approximately at the figure estimated when the bond issue was originally sold, although two large new office buildings have come on the rental market since the Metropolitan Building was completed and have necessitated some scaling down of rentals throughout downtown Toronto. As present leases expire, a gradually rising total of rentals is anticipated.

For some time after its opening, the importance of the building as a centre for insurance companies was stressed. While a large number of these companies are located in the Metropolitan, other businesses have also found it advantageous, so that sources of income are more widely distributed, assuring steadier and better income.

FUNDED DEBT

7 Per Cent. First Mortgage Bonds

Dated July 15, 1924; due July 15, 1944. Interest payable Jan. and July 15.

Authorized (closed); issued $1,025,000. Callable at 105 to 1929; decreasing by ¼ of 1 per cent. annually to 102.

Sinking fund provided sufficient to redeem entire issue by maturity.

Trustee—Chartered Trust and Executor Co., Toronto.

National Realty Corporation

With accommodation for approximately 400 cars, the St. James Parking Garage of Toronto, owned and controlled by the National Realty Corp., has nearly 100 per cent. of its space rented on a monthly basis, or even longer. Parking space in Toronto is at a premium, and the business man can no longer park his automobile in front of his place of business more than a few minutes at a time. Consequently, garage space in the downtown section is in demand at all times.

No financial report is available as yet on the first year's operating revenues, but there is little doubt but that the company is earning its estimated income of $87,562, or about five times bond interest requirements.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Apr. 1, 1925; due Apr. 1, 1945. Interest payable Oct. and Apr. 1.

Authorized (closed); issued $250,000. Callable as whole, from Oct. 1, 1935, or in part for Sinking Fund purposes only, from Apr. 1, 1928, at 105.

Secured by first mortgage on properties, and by floating charge on all other assets.

Sinking Fund provided, sufficient to redeem entire issue by maturity.

Northern Ontario Building

Ideally located for downtown business and financial concerns, the Northern Ontario Building, has found little difficulty in renting its space on leases, ranging from one to five years. The building was constructed a little over two years ago and at the end of the first twelve months, over 80 per cent. of the total available space was rented. Since then, occupancy has shown no falling off.

The plans of the owners to associate it with Northern Ontario enterprises has been carried out as far as possible. Consequently its name carries a certain significance in Toronto business circles and in view of its closeness to banks, financial houses, government offices and other prominent office buildings, the Northern Ontario Building has enjoyed a measure of prosperity unusual for a new building.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
1st pref. 6% cum.	$450,000	$450,000	$100
2nd pref. 6% cum.	100,000	77,000	100
Common	500,000	500,000	100

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated Oct. 1, 1924; due Oct. 1, 1939. Interest payable Apr. and Oct. 1.

Authorized (closed) and issued $850,000. Callable at 105 to Oct. 1, 1929; 103 to 1934; 101 to maturity.

Secured by first mortgage on properties, and by floating charge on all other assets.

Sinking Fund—1¼ per cent. of bonds issued and interest on bonds redeemed, payable half-yearly, commencing Oct. 1, 1927. Sufficient to provide for redemption of over $400,000 by maturity.

Trustee—The Royal Trust Co., Toronto.

7% Second Mortgage Bonds

Due 1929.

Authorized $100,000; issued $50,000.

Ogilvy Realty

The Ogilvy Realty Corporation owns the land and building occupied by the Ogilvy department store in Montreal. The bonds will be retired by the date of maturity of the issue through the operation of the sinking fund.

The real estate which secures the mortgage has a value well in excess of the amount of the bonds and the property could at any time be subdivided into small retail stores, which would yield a sufficient sum to meet the requirements of the trust deed covering the issue. The bonds are so well secured that they were originally sold without reference being made to the store's earnings.

For some time, the store was operated by the liquidators of the Home Bank, but from the latest information forthcoming it is understood that A. J. Nesbitt now controls the store. Mr. Nesbitt's advent into the affairs of James Ogilvy, Limited, adds further strength to the issue.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated Dec. 1, 1922; due Dec. 1, 1952. Interest payable June and Dec. 1.

Authorized (closed); issued $800,000. Callable at 105.

Secured by first mortgage on entire property.

Sinking fund provided sufficient to retire whole issue by maturity.

Trustee—Montreal Trust Co., Montreal.

Professional Offices

The Physicians and Surgeons Building, of Professional Offices, Ltd., at present, is well rented. As in many American and Canadian cities, Toronto has extended a hand of welcome to the professional office building. Doctors and dentists have found the building to be ideally located for their work, especially in view of the fact that the modern tendency is to have offices outside of the home.

A $275,000, 7 per cent. bond issue maturing serially and running for seventeen years, is outstanding.

FUNDED DEBT

7 Per Cent. First Mortgage Bonds

Dated July 1, 1922; due serially from July 1, 1925, commencing with $4,000, increasing to $13,500 in 1942, payable annually. Interest payable Jan. and July 1.

Authorized (closed); issued $275,000. Callable in reverse of numerical order at par plus premium of ½ of 1 per cent. for each year or fraction thereof of unexpired term of bonds redeemed.

Secured by first mortgage on properties, and floating charge on all other assets.

Trustee—Chartered Trust & Executor Co., Toronto.

Ravina Properties, Ltd.

The great interest in ice-skating in Canada and the need for covered rinks and artificial ice, has caused the construction of a number of buildings throughout the Dominion giving such a service to the public. While the construction of a building to house an artificial skating rink in itself is an expensive project, promoters have got around this obstacle by combining the skating rink with a swimming pool (for summer use) and an ice-making plant to cater to the general trade.

Such an enterprise is the Ravina Properties, Ltd., which started active operations early last year. Fifteen year first mortgage, 7 per cent. sinking fund bonds, to the extent of $150,000, were offered to the public. This issue represents less than 50 per cent. of the value of properties and buildings.

No information is available at present as to operating revenues for the past year, but, it is understood, they have been satisfactory.

Capital Stock—	Authorized	Issued	Par Val.
1st Pref. 7%	$150,000	$ 65,400	$100
Common	7,500 shs.	7,500 shs.	n.p.v.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated May 1, 1926; due May 1, 1941. Interest payable Nov. and May 1.

Authorized (closed); issued $150,000. Callable at 105 to Nov. 1, 1930; 103 to 1935; 101 to maturity.

Secured by first mortgage in properties, and by floating charge on all other assets.

Sinking Fund—Commencing Dec. 31, 1929, annually for years 1929-1931, $5,000; 1932-1933, $7,500; 1934-1940, $10,000; sufficient to redeem two thirds of entire issue by maturity.

Trustee—Canada Trust Co., Toronto.

Richmond Building

Richmond Building, Ltd., is newly formed for the purpose of erecting a high class, modern, fireproof office building of reinforced concrete, twelve stories and basement in height, on property secured from the City of Toronto on a 21-year lease, renewable annually rental of $4,725, with an option to purchase at the end of one, two or three years.

The building has been financed by an issue of $375,000 7 per cent. first closed mortgage 20-year bonds, which in turn are secured by a first and fixed charge on the leasehold, the buildings to be erected thereon, and the fixed equipment and a floating charge on all other assets and undertakings of the company. In addition, a life insurance policy of $200,000 has been taken out on the lives of the officers of the company, made payable to the trustee in favor of the bondholders.

Capitalization—	To be issued
7% 1st mtge. bonds	$375,000
Common (no par value)	4,000 shs.

Bond Issue—$375,000, 7 per cent. first mortgage bonds, dated July 1, 1927, due July 1, 1947. Denominations: $1,000, $500 and $100. Principal and interest, Jan. and July 1. Payable Toronto and St. Catharines. Redeemable in whole or in part on 30 days' notice at 103 and accrued interest to July 1, 1935; 102 and interest thereafter to July 1, 1942, and 101 and accrued interest thereafter to maturity.

Sinking Fund—Under the terms of the mortgage company covenants to pay to the trustee, commencing July 1, 1930, and annually thereafter, a sum of $1,000 during the life of the bonds. In addition, 20-year endowment life insurance policies in an amount of $200,000 have been placed on the lives of the vice-president and secretary of the company. These policies are endorsed in favor of the trustee for the benefit of the bondholders.

First offered July, 1927, at 100 and accrued interest, to yield 7 per cent.

Stanley Realty Corporation

While the need of downtown parking space in Montreal is not so great as in other cities of similar size, the Dominion Square Parking Garage has, to date, shown the necessity of its existence. A large percentage of the car owners have not their own garage facilities, so that public garages have not only been needful, but very much in demand.

The Dominion Square Garage, owned and operated by Stanley Realty Corporation, just back of the Windsor Hotel and only a few blocks from the other important hotels in Montreal, has accommodation for 600 cars. While all this space has not been rented on long term leases, yet no trouble has been experienced in keeping the building occupied to capacity, more or less, during the greater part of the year. Motor tourist traffic, of course, has been largely responsible for this, but, on the other hand, the Garage is not so dependent upon transient traffic as to make it imperative to cater to this trade exclusively.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Sept. 1, 1925; due Sept. 1, 1945. Interest payable Mar. and Sept. 1.

Authorized and issued $400,000. Callable at 105 from 1930-1934, for Sinking Fund purposes only; callable as a whole at 103½ from 1935 to 1939; 102 to maturity.

Secured by first mortgage on property and first charge on all other assets.

Sinking Fund—$12,000 annually, and interest on bonds redeemed, commencing Sept., 1929. Sufficient to redeem entire issue by maturity.

Trustee—Montreal Trust Co., Montreal.

Ste. Catherine Improvement

All the floor space of the Ste. Catharine Improvement Company has been leased. The leases run from five to ten years. Earnings at the present time are understood to be over three times the bond interest requirements. With earnings of the company running at their present level, it seems possible that in about two years' time or more some consideration will be given to the payment of dividends on the common stock.

The property comprises a modern two-story, fire-proof building in Montreal, known as the Automobile Sales Building. While the bonds are secured by a mortgage on leasehold property, yet through the operation of the sinking fund, the bonds will be redeemed before the expiration of the lease. While earnings at the moment are running at the rate of about $2 per share per annum, it will be some time before the company gives any consideration to the shareholders, because of the large sinking fund requirements contained in the trust deed covering the bonds. The bonds, when issued early this year, carried with them a bonus of common stock.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	10,000 shs.	10,000 shs.	n.p.v.

Four shares of common stock originally given as bonus with each $1,000 bond.

FUNDED DEBT

6½% First Mortgage Leasehold Sinking Fund Bonds

Dated Jan. 1, 1927; due Jan. 1, 1947.

Authorized (closed); issued $300,000. Callable at 103 to 1932; 102 to 1937; 101 to maturity.

Secured by first mortgage on building, and leasehold on entire property.

Sinking fund—$17,500 annually, sufficient to redeem entire issue by maturity.

Proceeds of issue to be used to liquidate bank loan of $200,000 and to meet balance of construction costs.

St. James Building

The St. Catherine Street Realty Corporation completed erecting the St. James Building only this year, but already it has proved to be a decidedly successful venture. The St. James Building is three stories in height.

All the ground floor and 75 per cent. of the upper floor space is rented. Earnings at the present time are running about $2 per year on the common stock, which is satisfactory news to the holders of the bonds, for when the issue was put out a bonus of common stock was given with the 6½ per cent mortgage bonds. The building is located in the heart of the Montreal shopping district. It is located on the leasehold property located in front of St. James Church.

The bonds, under the sinking fund clause in the trust deed, will be retired ten years before the expiration of the lease.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	20,000 shs.	10,000 shs.	n.p.v.

½ share originally given as bonus with each $100 bond.

FUNDED DEBT

6½% First Mortgage Leasehold Sinking Fund Bonds

Dated July 1, 1926; due July 1, 1946. Interest payable Jan. and July 1.

Authorized (closed); issued $275,000. Callable at 105.

Secured by first mortgage on building and leasehold. Lease is for 30 years. Special provision to protect bondholders in event of sale of whole of St. James property prior to 1956.

Sinking Fund—$6,875 annually and interest on bonds redeemed, commencing Jan. 1, 1928, payable monthly.

Trustee—Royal Trust Co., Montreal.

Themis Building

Work on the Themis Building began on May 1 of this year and it will be completed early in 1928. Already half of the ground floor in the new building has been rented and some space also in the upper stories has been rented. The building is being erected at the corner of St. Lawrence and St. James Streets, in the Montreal financial district. It is estimated that earnings will be equal to more than twice the bond interest requirements.

BOND ISSUE

$675,000, 6½ per cent., 15-year, first mortgage sinking fund gold bonds, dated March 1, 1927, maturing March 1, 1942. Capital and interest payable March and Sept. at Banque Can. Nationale in Montreal and Quebec, or at Bank of Montreal, Toronto. Coupon bonds of $1,000, $500 and $100 nominal registerable as to capital. Redeemable in whole on interest date on 3 months' notice at 103 until March 1, 1932; at 102 until March 1, 1937, at 101 until maturity, plus accrued interest in each case.

Sinking fund to begin March 1, 1931, will redeem 40 per cent. of entire issue by maturity.

Offered at par and accrued interest.

York-Adelaide Realty Co.

A good measure of success has, fallen to the lot of the York parking garage, the property of the York-Adelaide Realty Co., justifying its erection and the issuance of the bonds.

Toronto, like other large cities, is faced with the serious problem of providing space for the parking of motor cars. Owing to the limited width of the downtown streets, regulations forbid parking on many streets during the greater part of the day, while on others cars may not be parked more than a few minutes. Hence the demand for parking garage space is quite brisk and the York Parking Garage has experienced no trouble in utilizing its facilities to the utmost.

The building, a four-story and basement parking garage, designed on the incline floor plan, is constructed of reinforced concrete with brick and stone trimmings and has a capacity for 500 cars.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Dec. 1, 1925; due Dec. 1, 1945. Interest payable June and Dec. 1.

Authorized and issued $400,000. Callable, for sinking fund purposes only, at 105, from June 1, 1929-1933; at 103½ to 1938; 102 to maturity.

Secured by first mortgage on property.

Sinking Fund—$12,000 annually, and interest on bonds redeemed, commencing Dec. 1, 1928; sufficient to redeem entire issue by maturity.

Trustee—Montreal Trust Co., Toronto.

York Street Buildings

With no appreciable let-up in the demand for light manufacturing space the York Street Buildings, at the corner of Adelaide and York Streets, have been well occupied. The Company has been fortunate in securing a number of long term leases for a fairly large percentage of its available space, so that revenue is stable at all times.

The 966 year land lease, which the Company holds from the Baldwin Estate and which has been assigned to the Trustee for the bondholders, is bound to appreciate in value from year to year because the trend of business is moving westward. Bay Street, in the downtown section, is being rapidly built up with office and business buildings and this, in turn, has an appreciable effect on the value of the York Street Buildings.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	$160,000	$160,000	$100

FUNDED DEBT

6½ Per Cent. First Mortgage Leasehold Sinking Fund Bonds

Dated Apr. 1, 1925; due Apr. 1, 1940. Interest payable Apr. and Oct. 1.

Authorized (closed); issued $160,000. Callable at 103 to Apr. 1, 1930; 102½ to 1935; 102 to maturity.

Secured by first mortgage on two buildings and leasehold.

Sinking Fund—$5,000 annually, plus interest on bonds redeemed, commencing Apr. 1, 1927; sufficient to redeem 60 per cent. of entire issue.

Trustee—National Trust Co., Toronto.

347 Bay Street Building

Primarily erected for the purpose of supplying space for the Canadian National Telegraphs, 347 Bay Street Building, or, as it it better known, National Building, is well occupied. There are still a number of vacant offices, but as the Canadian National has contracted for nearly half of the total space available, it will be seen that the company is in a good position to meet its obligations.

From the standpoint of locality, the National Building is in an excellent position. It is in close proximity to practically all the important office buildings, institutions, banks, etc., in the city. Moreover, it is an attractive building from the outside and its offices are so arranged to give a maximum of usable space and lighting.

Annual net earnings of the building are estimated at $95,000. The building has not been rented long enough so as to enable one to form an opinion on its actual earning power, but when the property is thoroughly seasoned, there is every likelihood of this figure being reached and maintained.

FUNDED DEBT

7 Per Cent. First Mortgage Leasehold Sinking Fund Bonds

Dated Sept. 1, 1925; due Sept. 1, 1940. Interest payable Mar. and Sept. 1.

Authorized and issued $400,000. Closed. Callable at 103. Secured by first mortgage on estate.

Sinking Fund—1-12 annual interest requirements payable monthly to Sept. 1, 1928, thereafter $40,000 annually in equal monthly instalments, sufficient to retire 60 per cent. of issue at maturity.

Trustee—National Trust Co., Ltd., Toronto.

For Sale — Ideal Industrial Proposition

Approximately 6 acres with over 1,000 feet frontage on the C. N. Railway, also frontage on two streets. Including 16 solid brick homes for employees, and one large residence suitable for manager. Situated in Mount Dennis within 200 yards of the main highway and street car transportation to Toronto. Sewers, water, gas and cheap electric power available.

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Write us, without obligation, for circular, giving full details of bond issue and description of the property.

Issues on Hotels

Admiral Beatty Hotel

At the present time the management of the Admiral Beatty Hotel Company is considering an addition to the property which would allow the company to take better advantage of the tourist traffic in Saint John. In view of the recent change in the liquor legislation of the Province of New Brunswick, a greater flow of tourists to the city is anticipated. While the company has paid no dividends on its preferred stock since its inception, yet it has been meeting its bond interest and indications all point to the fact that it will be able to continue to meet the annual charges called for by the trust deed covering the issue of bonds.

While there is an investment interest in the preferred stock, yet it is very closely held. The preferred shares were originally purchased mostly by those interested in the progress of the city and who desired that suitable hotel accommodation be provided there. The hotel has at present 189 rooms and occupies a good location in the city.

Head office—Saint John, N.B.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7%	$ 750,000	$ 560,800	$100
Common	750,000	650,000	100

No debts on preferred since inception.

51% owned by United Hotels Co. of America. Preferred reserved for conversion of 7% debentures (see below).

FUNDED DEBT

(I) 7% **First Mortgage Sinking Fund Bonds**

Dated Sept. 1, 1924; due Sept. 1, 1944. Interest payable Mar. and Sept. 1. Authorized and issued $600,000. Callable at 105. Secured by first mortgage on properties.

Sinking Fund—3% p.a., commencing Sept. 1, 1927.

Trustee—Eastern Trust Co., Saint John, N.B.

Carleton House

Good hotel accommodation in Halifax has always been at a premium, and consequently the Carleton House has been able to show a fairly consistent record of earnings. Just what success the hotel will have in the years immediately ahead is rather difficult to state, in view of new developments which have taken place in the last few months.

A movement has got under way, backed by many responsible Halifax and Nova Scotia business men, to erect a large modern hotel in the city, to be known as the Lord Nelson. This scheme has received a temporary setback, owing to the failure of the Government to approve of financial support by the Canadian National Railways, under whose aegis this project was being advanced. The enterprise has gone forward to such a stage, however, that it is likely that other means will be found to receive the necessary financial backing.

In the event of the proposed hotel being constructed, earnings of the Carleton House would undoubtedly be affected, although an additional hostel is likely to attract a greater flow of tourists from the New England states, which, together with commercial and ocean traffic, would enable the Carleton to operate on a satisfactory basis.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated April 1, 1922; due Apr. 1, 1947. Interest payable April and Oct. 1.

Authorized (closed); issued $79,000. Callable at 105.

Secured by first mortgage on properties.

Sinking Fund—2 per cent. p.a.

Trustee—Eastern Trust Co., Halifax.

Empress Hotel

A Vancouver syndicate early in the year made an offering of $80,000, 7 per cent. first mortgage bonds of the Empress Hotel, of Chilliwack, B. C. Appraisal shows that there are $2,238 in direct security for every $1,000 bond.

The Empress Hotel is the principal hostlery in Chilliwack. It has been in successful operation for a number of years and with the increasing tourist traffic through Southern British Columbia, it is anticipated that earnings will show a steady improvement.

Bond Issue

$80,000, 7 per cent. first mortgage sinking fund bonds, dated May 1, 1927, due May 1, 1942.

The property and furnishings are appraised at $179,080, making $2,238 direct security for every $1,000 bond outstanding under the present issue.

First offered June, 1927, at 99.50 to yield about 7.05 per cent.

Grouse Mountain Resort

When the final work on the Grouse Mountain Highway and Scenic Resort has been done, over $600,000 will have been spent on the purchase of grounds, right of way, chalet and roadway. Other work to be undertaken includes toboggan and skiing facilities and parking accommodation, etc.

There is a very heavy flow of tourist traffic from the Northern American states into British Columbia and the promoters believe that an enterprise of this type will fill a long felt want in catering to the needs of American visitors as well as the people of Vancouver and other provincial towns and cities.

The project is not yet in full operation and it is not possible to form a comprehensive idea of the earning power of the company. In view of the facilities which it offers to the public and the immense territory which it has to draw upon for its clientele, there is reason for believing that the enterprise will be successful.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7% partic.	$450,000	$ 293,601	$100
Common	300,000	130,000	100

FUNDED DEBT

6½ Per Cent. First Mortgage Bonds

Dated Dec. 1, 1926; due Dec. 1, 1946.

Authorized (closed); issued $250,000.

Sinking Fund—$12,500 yearly.

Hotel Laurentian

Hotel Laurentian is a new enterprise for Ottawa and it has not been in operation long enough to enable one to form an accurate opinion on its earning power. Aside from the Chateau Laurier, Ottawa is poorly equipped with first class hotel accommodation.

The services of the Wiggin Hotel Co., of Philadelphia, have been secured by the directors to manage the hotel. Apart from the local traffic, which the hotel will, as a matter of course, secure, the Wiggin's connection will secure a very substantial volume through the routing of traffic.

With an efficient management, there is every reason to believe that the Hotel Laurentian will be a success. The Chateau Laurier is incapable of handling the present volume of business, and though the Canadian National Railways are proceeding with the construction of an addition, still the overflow will be great enough to give the new hotel all the business it can handle.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
1st pref. 7% cum.	$250,000	$250,000	$100
2nd pref. 7% cum.	250,000	150,000	100
Common	50,000 shs.	50,000 shs.	n.p.v.

First preferred has preference as to capital and dividends. Redeemable at 103.

Dividends—1st and 2nd preferred—7 per cent. cum. payable Feb. and Aug. 1.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Authorized and issued $800,000.

Hotel London

Hotel London was officially opened for business last month, and preliminary results are decidedly encouraging for the success of this enterprise. For many years, the city of London has been without first class hotel accommodation. As a result, the city was losing a large share of the tourist trade, while visitors to the city were not overly enthusiastic about accommodation. The need for better hotel facilities was readily realized and the Hotel London represents, in a large measure, a community enterprise.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7% cum.	$400,000	$300,000	$100
Common (sh.)	300,000	300,000	100

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated Oct. 1, 1926; due Oct. 1, 1941. Interest payable Apr. and Oct. 1.

Authorized and issued $750,000. Callable at 105 to Oct. 1, 1931; 103 to 1936; 101 to maturity.

Secured by first mortgage on properties and by floating charge on all other assets.

Sinking Fund—1¼ per cent. of bonds issued, and interest on bonds redeemed. Sufficient to retire one-half of entire issue by maturity.

Trustee—The London and Western Trusts Co., Ltd., London, Ont.

6½ Per Cent. General Mortgage Bonds

Due 1934.

Authorized $150,000; issued $125,000.

King Edward Hotel Co.

Lack of hotel accommodation in Toronto, has resulted in the movement to erect several additional hostelries. So far, 2 hotel projects are definitely underway and it is possible that another will be undertaken before the end of this year. Completion of these hotels will undoubtedly affect the earnings of the King Edward Hotel Co., but as to what extent, it is difficult to say at present.

As the only first class hotel in Toronto, the King Edward has enjoyed the cream of business for several years past. Conventions, tourists, travelers and others make it their headquarters while in the city and in the past three years, earnings have steadily increased.

In the fiscal year ended December 31, 1926, the King Edward Hotel Co. reported net earnings of $36,252, as compared to a profit of $16,539 in 1925 and a net loss of $12,222 in 1924. For the first five months of the current year, net profits were $68,000. While rooms are still let below actual cost, profits are realized from contracts with luncheon clubs for banquets, etc., and in the leases of space for stores and to concessions.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	$1,000,000	$1,000,000	$100

United Hotel Co. owns 51% of stock.

FUNDED DEBT

(I) 7% **First Mortgage Sinking Fund Bonds**

Dated April 25, 1924; due semi-annually Sept. 1, 1925-1938.

Authorized and issued $2,500,000; outstanding $2,350,000. Held by Metropolitan Life Insurance Co., New York.

Sinking Fund—$50,000 commencing Sept. 1, 1925; and semi-annually thereafter.

(II) 7% **Refunding Sinking Fund Bonds**

Dated March 1, 1924; due March 1, 1944; interest payable March and Sept. 1.

Authorized $3,500,000. Issued: Series "A," $1,000,000, Series "B," $125,000—total outstanding $1,125,000. Remaining bonds can be issued only for refunding first mortgage bonds. (See 1 above). Callable at 105 from March 1, 1929.

Secured by first mortgage on entire fixed assets, subject only to First Mortgage (1) above.

Sinking Fund—2% of bonds outstanding, commencing March 1, 1929.

Trustee—National Trust Co., Ltd., Toronto.

(III) 8% **General Mortgage Sinking Fund Bonds**

Dated May 1, 1923; due May 1, 1963. Interest payable June and Dec. 1.

Authorized $3,350,000. Issued; Series "A," $2,500,000; Series "B," $850,000. Callable at 105; Series "A," issued to purchase outstanding preference shares of King Edward Construction Co., par for par, and Series "B" common shares, par for par. (See below).

Secured by specific mortgage on all property, and floating charge on all other assets, subject to two outstanding issued (See I and II above).

Guarantee—Interest on Series "A" guaranteed by United Hotels Co., of America.

Sinking Fund—1% of bonds, outstanding, commencing Dec. 1, 1929.

Trustee—National Trust Co., Ltd., Toronto.

Newfoundland Hotel

Although the Newfoundland Hotel is now in operation, its development is still in the transition period. The hotel was built as part of the general policy of encouraging tourist traffic, and, indeed, it is an essential link in the campaign. The Government appreciated this and gave the undertaking support by guaranteeing bonds up to $450,000, permitting the entry of building materials duty free, exempting the property from all taxation for a period of years and granting it special privileges in the selling of wines and liquors.

That this course was justified is apparent by the surprising growth in tourist business. Conventions, dinners, dances, wedding banquets have all been additional and profitable sources of income. The hotel is the headquarters of the Rotarian and other similar organizations which hold their weekly dinners there. And, despite the fact that building work was going on during the first year of operation the hotel was able to show an operating profit of $5,900.

The citizens of St. John's heartily appreciate the facilities of the Newfoundland Hotel and are fully supporting it. Moreover, the famous salmon and trout fishing in the Island streams is proving a stronger lure to anglers from Canada, the United States and England, now that proper hotel accommodation can be offered to the visitor.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7% cum.	$ 400,000	$ 400,000	$100
Common	600,000	400	100

FUNDED DEBT

6% **First Mortgage Re-imbursement Bonds**

Authorized and issued $450,000.

Principal guaranteed by Government of Newfoundland.

(Continued on page 21)

Homestead Entries Increase

Homestead entries made for Dominion lands in the four western provinces in June totalled 808 as compared with 704 in June, 1926 Manitoba showed 95 against 139, Saskatchewan 342 against 327, Alberta 370 against 227 and British Columbia 1 against 11. Filings for the six months to date total 3,069 against 2,884 for the similar half year of 1926. Of these, Manitoba had 368, Saskatchewan 1,386, Alberta 1,283 and British Columbia 38.

A Recommended Investment in a

Central Apartment Hotel

One block south of Bloor, between Queen's Park and Bay Street, Toronto.

Windsor Arms $350,000 first mortgage, twenty year gold bonds, bearing interest at 6½%.

Windsor Arms, Limited, is the owner of more than 18,000 square feet of land at the corner of St. Thomas and Sultan Streets, one block south of Bloor. On this area a modern four story Apartment Hotel, the Windsor Arms, is being erected. The Windsor Arms will have 94 attractive suites, containing 230 rooms. In addition there is to be a rotunda, office, storage space, laundry, etc. The building is to be absolutely fireproof and walls sound proof.

The President of Windsor Arms, Limited, J. T. Benor, will live on the premises and have the management under his supervision. He has had 14 successful years in apartment hotel business in Toronto.

Independent valuations place the land at $61,250, and the building at $524,640, a total of $585,890. The first mortgage bonds are but 60% of this valuation.

Annual net income is estimated at $66,656, which is more than twice the $30,250 required for both bond interest and sinking fund.

We recommend Windsor Arms 6½% first mortgage bonds as an attractive, conservative investment.

Price 98½ and interest to yield about 6.65%

TRUSTEES: Toronto General Trusts Corporation.
LEGAL OPINION: Rowell, Reid, Wright and McMillan.

For Further Information Write or Telephone:

H. W. DE GUERRE & CO., LIMITED
Phone Elgin 3591 C. P. R. Building, Toronto, 2.

BLACKSTOCK & CO., LIMITED
Phone Elgin 3816 Dominion Bank Building, Toronto, 2.

To the man who buys Real Estate Mortgages

First Mortgage Real Estate bonds on centrally located property in districts of assured permanence, which are backed by a large margin of equity over and above the amount of bonds issued, provide the security of the old-fashioned mortgage, plus the advantages and conveniences of a bond investment.

The personal supervision often necessary with the old-time mortgage is eliminated.

Interest is collected simply and promptly by the deposit of coupons in your bank, and markets are available for the securities.

Greenshields & Co.

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also Mount Royal Hotel Building

TORONTO
14 King Street East

OTTAWA
46 Elgin Street

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80 St. Peter Street

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Issues on Hotels

Prince Edward Hotel

Although the nearness of Detroit has hampered operations of the Prince Edward Hotel, of Windsor, the company is making better headway. The large inflow of tourist traffic from the middle western states to Central Canada has brought in a large revenue. The construction of a new bridge between Windsor and Detroit, which will start sometime this fall, stimulated the movement and should materially benefit the Prince Edward Hotel.

Business with the company is still largely seasonal.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7%	$1,250,000 $	850,000	$100
Common	1,250,000	850,000	100

FUNDED DEBT

7½ Per Cent. First Mortgage Serial Bonds

Dated Sept. 1, 1921; due serially: $15,000 annually 1924 to 1928; $20,000, 1929 to 1933; $25,000, 1934 to 1940; $500,000, 1941. Interest payable Mar. and Sept. 1.

Authorized and issued $850,000. Callable at 110 after Sept. 1, 1926.

Secured by first mortgage on properties.

Trustee—National Trust Co., Ltd., Toronto.

Queen's Park Plaza

Queen's Park Plaza is a new apartment house now in the course of construction at the corner of Bloor and Avenue Road, Toronto. The building will be fifteen stories in height. It will be completely fireproof and designed as a high class private residential hotel.

The building is being financed by an $875,000, 6½ per cent. first mortgage serial bonds. An independent appraisal places the value of the building and land at $2,217,093, but the company underwriting the issue appraise it at $1,549,381, so that the bond issue is for less than 60 per cent. of the most conservative valuation.

BOND ISSUE

$875,000 first mortgage serial bonds, dated July 2, 1927. Interest payable July and Jan. 2, at office of United Bond Co., Windsor; H. C. Ward, 607 Shelby St., Detroit; Royal Bank, Windsor or Toronto, or at Chemical National Bank, New York. Maturing July 2, 1930 to 1939. Denominations: $50, $100, $250, $500 and $1,000.

First offered July, 1927, at par and accrued interest.

Bond Issue—$275,000, 6½ per cent., 15-year serial general mortgage gold bonds, dated April 1, 1927. Principal payable at Dominion Bank, Toronto, on April 1 each year from 1932 to 1942. Interest payable April and Oct. 1.

Denominations: $1,000, $500 and $100 ($100 bonds issued payable only in 1932, 1937 and 1942 maturities).

Authorized amount of issue, $600,000.

First offered in April, 1927, at 100 and accrued interest. Certificates for common stock at the rate of 10 shares per $1,000 par of bonds delivered to purchasers as a bonus.

Ritz Carlton Hotel

While there is no doubt that the Ritz Carlton Hotel is the best hotel in Canada, yet there also seems to be little doubt that tourist traffic through Montreal does not appreciate good service. Thus, the preferred dividends of the company are in arrears since its inception in 1912. The hotel came into being solely as a first class hostelry, but during and after the war there have been but few visitors from Europe of a class such as are capable of appreciating the service which the hotel provides. Due to the location of the property and to the general design of the hotel itself, it would probably never be possible to turn it into the usual jazzy commercial hotel.

Not only are the preferred dividends in arrears, but the interest on the company's second mortgage bonds is in arrears since April, 1927. The second mortgage bonds were issued to pay up arrears on the first mortgage issue, and to liquidate some of the company's liabilities. Interest on the first mortgage issue is being maintained and interest payments are made intermittently on the second mortgage issues. While the typhoid epidemic in Montreal this winter has undoubtedly affected the hotel business in the city, yet probably it can be said that the Ritz Carlton Hotel Company is improving its position a little. Earnings, this year though, will depend largely on the extent of the summer tourist traffic.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7% cum. part	$1,000,000	$1,000,000	$100
Common	$1,000,000	$1,000,000	$100

Preferred interest in arrears since 1912.

FUNDED DEBT

5% First Mortgage Bonds

Dated June 1, 1912; due June 1, 1942.

Authorized $1,000,000; issued $647,500.

6% Second Mortgage Bonds

Dated Jan. 1, 1920; due Jan. 1, 1943. Originally dated to mature 1923, but extended.

Authorized $900,000; issued $852,875.

Issued to pay up arrears of interest on first mortgage bonds and to liquidate some of company's current liabilities.

Interest in arrears since April, 1927.

No financial statement issued.

Vancouver Georgia Hotel

The Vancouver Georgia Hotel was placed in operation this year and results to date have thoroughly justified its erection, Vancouver, like many other Canadian cities, has for a long time only had one first class hotel, operated by the Canadian Pacific Railway. The large amount of tourist traffic, transcontinental travelling, and boat traffic from the Far East, has resulted in an overflow of business from the Vancouver Hotel. Thus, there is ample room for two and even more modern hostelries in Vancouver.

The Georgia Hotel was financed by the flotation of a bond issue of $1,350,000, 6½ first mortgage serial bonds. These bonds are secured by a direct closed first mortgage on the building, its furnishings, and furniture, and on its site of approximately 120 by 150 feet of valuable land. These bonds are further secured by Straus plan provisions for monthly deposits to meet principal and interest payments when due.

FUNDED DEBT

6½% first mortgage serial coupon bonds, dated June 1, 1926; due serially 1929 to 1942. Interest payable June and Dec. 1.

Authorized and issued $1,350,000. Callable at 103 to 1931; 102 to maturity.

Secured by first mortgage on entire property.

Safeguarded under the Straus plan, commencing with payment of $27,000 to June 1, 1929, and increasing annually to 1942, amounts payable monthly during the preceding year.

Windsor Hotel, Limited

Windsor Hotel Ltd. does not publish its annual report but there is no doubt that earnings from the property have been quite satisfactory. The hotel is very ably managed indeed and has built up a good reputation of many years' standing. It occupies possibly the best hotel location in the city of Montreal and is affiliated with the Dupont-Boomer in the United States. This last has provided the company with a U. S. connection which has helped to increase the number of guests which are entertained. Earnings this year may be lower than last, as the Montreal city council's actions during the typhoid epidemic have frightened many tourists from the city. There is no doubt, though, that the company is earning its bond interest by a very substantial margin.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	3,000,000 shs.	2,500,000	$100

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated Jan. 1, 1923; due Jan. 1, 1943. Interest payable Jan. and July 1.

Authorized (closed); issued $2,500,000. Callable at 105.

Secured by first mortgage on properties.

Sinking Fund—$50,000 per annum, commencing Jan. 1, 1926; suffiicent to retire $1,500,000 or 60% of total issue, by maturity.

Trustee—Montreal Trust Co., Montreal.

BETTER MARKET FOR BONDS NEEDED

Real Estate Securities Often Left to Fend for Themselves

Growing popularity of the real estate mortgage bonds and consequent widening of distribution of such securities, has brought in its wake several problems of varying importance which must sooner or later be dealt with by the issuing bond houses. At the present time, there are approximately one hundred real estate mortgage bond issues outstanding in the hands of the public. While a large proportion of these bonds are in the hands of institutions, a respectable proportion has gone to the small investor, with holdings of from $500 to $3,000 or $5,000.

The wide distribution among the small investors has been brought about by the active sale of "baby" bonds. These securities, in denominations of $50, $100 and $500, have been widely bought by people of limited savings, largely on account of their attractive yields together with a margin of safety which ensures the repayment of principal.

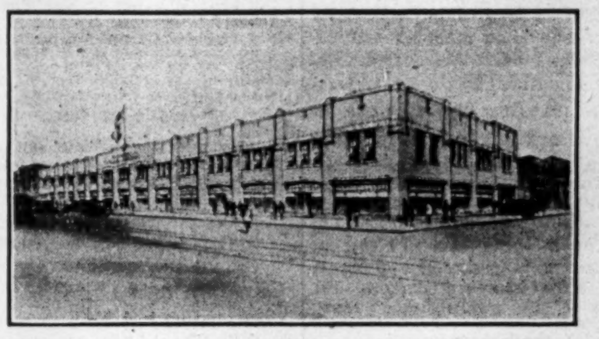
It has been found that many of these small holders of mortgage bonds do not hold them for any length of time. Loss of employment, financial obligations, etc., often causes them to sell. When offered to a bond dealer, the seller quite frequently has to take a loss of several points. This depreciation in the value of the bond, which he was told when purchasing was backed by ample security to more than repay the principal outstanding, causes much of the dissatisfaction.

Many of the issuing bond houses maintain an excellent market for their securities. Price is kept at or above the original offering. On the other hand, there are a number of houses which have sold real estate mortgage bonds and have made no real effort to maintain a market. It is this type of dealer that has caused many people to look askance at real estate mortgage bonds, believing that there must be some flaw in the security. If financing has been carried out on a sound basis, conservative appraisals made, etc., the equity back of a real estate mortgage bond, is ample enough to protect the bondholders in case of default of payment of interest charges.

The La Salle

The La Salle.
Apartment House Hotel.

Chateau St. Louis,
Quebec City.



Automobile Sales Building.

Three Attractive Investments well protected—

Pictured in this advertisement are three buildings which are the security for three of the Real Estate First Mortgage Bond Issues underwritten by this company.

In each case, the value of the property, and its undoubted earning power, coupled with administration by unusually strong directorates, ensures thorough protection to investors. Estimated net earnings of two of these issues are almost double the interest requirements of these bonds and in the case of the St. Catherine Improvement Company, on whose premises a modern two-story reinforced concrete fireproof building known as the Automobile Sales Building, has been erected, the earnings available for bond interest are more than three times the average annual requirement.

Detailed circulars are available concerning the St. Catherine Improvement Company; the Drummond Street Realty Corporation; and Quebec Apartments, Limited. These will be gladly sent to interested enquirers on request.

ERNEST SAVARD LIMITEE

Insurance Exchange Building, Montreal. 71 St. Peter St., Quebec

Confederation Building
(GODFREY REALTY CORPORATION)
in the heart of commercial activity in Montreal
Corner St. Catherine & McGill College Streets

6% First Mortgage 15 Year Sinking Fund Gold Bonds

The security for these Bonds is exceptionally strong. The land has been valued by Ernest Pitt & Co. at $933,500 and the finished building by Ross and Macdonald at $1,438,400, a total of $2,371,850 securing a First Mortgage of $1,500,000.

Net Income, allowing 10% for vacancies, is estimated at $191,000—more than twice the Bond interest.

Ready marketability is assured by the operation of the very substantial sinking fund.

We recommend these Bonds for a safe investment at the attractive price of

98 and accrued interest, yielding over 6.20%

Write for descriptive circular.

MUNICIPAL DEBENTURE CORPORATION Limited

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Many of Canada's finest apartment buildings are floored with Red Deer brand Birch. Beautiful in grain and color, low in price, economical to lay and extraordinarily durable, it is in every way ideal. For apartments we recommend Selected Red Birch. This stock is free from all defects and of uniform color. Selected Red Birch makes for distinction in apartments and residences.

Other grades and specifications for schools, homes, public buildings and factories.

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The
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HUNTSVILLE LIMITED ONTARIO

This trade mark appears on every bundle of Red Deer brand Birch—a guarantee that it is 99 to 100% perfect.

Red Deer brand birch Flooring

Chateau Apartments, Montreal, built with Concrete.

Permanent Fire-Safe
CONCRETE CONSTRUCTION
Means Greater Revenue

CONCRETE construction offers many advantages to investors in Apartment House Issues.

Concrete construction is fire-safe and permanent, thereby attracting tenants and enhancing earning power.

Concrete is economical to build with. Materials are always available, thereby eliminating delays and forwarding the date on which the buildings can commence to earn money.

A wide range of architectural treatment is obtainable through the use of concrete for it is readily adaptable to designs that enhance rental value and attract a desirable class of tenant.

Canada Cement Company Limited
Canada Cement Company Building
Phillips Square Montreal

Sales Offices at:
Montreal Toronto Winnipeg Calgary

CANADA CEMENT
CONCRETE
FOR PERMANENCE

Apartment House Issues

Acadia Apartments

The Acadia Apartments publishes no financial figures, but at the present time there is only a small proportion of the building unoccupied and all indications point to the fact that the company is earning more than its first mortgage bond interest requirements. Investment interest in the company is confined to the first mortgage issue; ranking junior to the issue there is a $100,000 general mortgage issue and $400,000 in preferred shares. Thus it will be seen that there is a substantial equity in the property, ranking after the first mortgage bonds. The building occupies one of the best locations in the city of Montreal and a satisfactory demand for the suites in the building can be anticipated.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7%	$400,000	$ 400,000	$100
Common (shs.)	200,000	200,000	n.p.v.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated Sept. 1, 1924; due Sept. 1, 1939.

Authorized (closed); issued and outstanding $850,000. Callable at 102½.

Secured by first mortgage on all property and first charge on net revenue derived therefrom.

Sinking Fund—Semi-annual payment of $12,750 and interest, commencing Mar. 1, 1928.

Trustee—Montreal Trust Co., Montreal.

7% General Mortgage Bonds, Due 1940

Authorized $200,000; issued $150,000.

Alexander Apartments

One of the oldest high-grade and one of the largest apartment-hotels in the Dominion, Alexander Apartments of Toronto, are in a very sound position. A year ago, the apartment was sold to a new group comprising American and Canadian capital, headed by Harry S. Gooderham. The new owners made several important improvements which have been instrumental in increasing revenues.

Operating profits in the year ended May 31 last, were the highest in the history of the company. Net profits, after payment of operating expenses, amounted to $48,173, as compared with $44.143 in the previous fiscal year of 12½ months. During the year $9,500 of the bonds were retired by the sinking fund, leaving a total of $340,500 now outstanding.

On May 31 last, the depreciated value of the land and buildings was $565,095. Working capital amounted to $14,682, deferred charges $36,169, giving assets, exclusive of goodwill, of approximately $616,000.

The remarkable stability of earnings of Alexander Apartments, Ltd., is indicated by the record of net earnings since 1921: 1921, $39,382; 1922, 39.672; 1923, $39,259; 1924, $38,060; 1925 (12½ months), $44,143; 1926, $48,173.

CAPITALIZATION

Capital stock authorized and issued $350.000.

6½% First Mortgage Sinking Fund Bonds

FUNDED DEBT

Dated May 15, 1925; due May 15, 1940. Interest payable May and Nov. 15. Authorized $350,000; issued $340,500. Callable at 105 to May 15, 1926, thereafter at ¼ of 1% lower per annum, to 102.

Secured by closed first mortgage on properties, and floating charge on all other assets.

Sinking Fund—$9,500 per annum, commencing May 15, 1926.

Trustee—Union Trust Co., Ltd., Toronto.

7% Second Mortgage Bonds

Authorized and issued $50,000.

Ancroft Place

The Ancroft Place project is not an apartment enterprise, but rather the development of a valuable piece of wooded property in South Rosedale, one of the best residential districts in Toronto. It contains three and one-half acres, upon which a number of houses have been built or are in the course of erection.

The houses are not set in rows or terraces, nor is there any of them of the type associated with rows or terraces. Based rather upon the English cottage type than upon any formal style of architecture, they have been given varied yet harmonious treatment. Special attention has been paid to the construction of the houses, all have rooms of generous size, two tiled bathrooms, brick fireplace in living room, and hardwood flooring and trimmings throughout. All houses are heated from a central plant, each having its own heated garage.

The idea behind the project is new to Toronto. It is the object of the company to afford the residents the privacy of a private home, since there will be a well-kept park attached to the homes. The project calls for 21 houses, 11 of which are completed from which the estimated net revenue is placed at $32,400 per annum. The value of the buildings, landscape work, property, etc., is appraised at $503,200.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated Sept. 1, 1926; due Sept. 1, 1946. Interest payable Sept. and March 1.

Authorized and issued $300,000. Closed. Callable at 105 to Sept. 1, 1931; 104 to 1936; 103 to 1941; 102 to maturity.

Secured by first mortgage on all properties, and by floating charge on all other assets.

Sinking Fund—$500 monthly, commencing May 15, 1928.

Trustee—Chartered Trust and Executor Co., Toronto.

Bloor-St. George Realty

Although only in occupation a few months, the Bloor-St. George Apartment has been successful in renting over 90 per cent. of its available room space. In view of the present apartment house situation in Toronto, this showing is exceptionally good. Moreover, earnings have been sufficiently large enough to take care of interest requirements and leave a small proportion over for depreciation and other charges.

This apartment caters to a high class clientele. Its rents, in comparison with the general run of apartments in Toronto, are high, averaging about $21 a room. The conveniences of this apartment, together with its central locations, however, has been the means of attracting a satisfactory number of occupants.

CAPITALIZATION

Capital Stock—	Authorized	Outstanding	Par Val.
Pref. 7 per cent.	$200,000	$74,000	$100
Common	15,000 shs.	10,000 shs.	n.p.v.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Feb. 15, 1926; due Feb. 15, 1946. Interest payable Feb. and August 15.

Authorized and outstanding $510,000. Closed. Callable at 105 to 1931; thereafter reducing annually by half of 1 per cent. to 101.

Secured by first (closed) mortgage on properties and by floating charge on all other assets.

Sinking Fund—$10,200 p.a., sufficient to reduce mortgage to $145,000 by maturity.

Trustee—Chartered Trust & Executor Co., Toronto.

6½% Mortgage Bonds

Due Feb. 15, 1941.

Authorized $100,000; outstanding $5,500.

Carleton and Charles Terrace

No trouble has been experienced in renting the Carleton and Charles Terraces buildings in Windsor. Demand for housing accommodation at the Border City has been exceptionally good during the past few years, on account of the industrial activity at that point and in Detroit.

The property consists of five separate two-story buildings, each of them containing six homes of five rooms and bath. Each building has a full basement and a garage is provided. The location of the buildings is on the east side of Mercer Street, between Erie Street and Giles Boulevard, the latter being one of the most beautiful residential thoroughfares in the city.

When the bonds were offered to the public, estimated earnings of the Carleton and Charles Terrace were placed at $21,000. Actual operating results have shown that this figure was not too generous, as gross has kept around that figure constantly.

FUNDED DEBT

7 Per Cent. First Mortgage Serial Bonds

Authorized $110,000. Five separate issues of $22,000, each of which is secured by separate mortgages.

Issues W-46 and W-47—Dated July 2, 1926; due serially 1928-1933. Interest payable Jan. and July 2.

Issues W-50, W-51, W-52—Dated Aug. 2, 1926; due serially 1928-1933. Interest payable Feb. and Aug. 2.

Secured by first mortgage on properties.

Guaranteed by United Bond Co., Ltd.

Trustee—London and Western Trusts Co., Ltd., London, Ont.

Cawthra Apartments

Cawthra Apartments have been recently completed in one of the best residential districts in Toronto. The buildings contain 312 rooms and comprise 72 suites. These suites vary from two to five rooms and have refrigeration, kitchen equipment, electric light and all modern conveniences. The site is a particularly desirable one as the buildings are adjacent to Toronto University and its affiliated colleges, as well as the Toronto General and Childrens' Hospitals, Toronto Conservatory of Music, the Reference Library and the Parliament Buildings. There are no apartment buildings in the vicinity, so that the Cawthra Apartments have practically no competition.

The company is controlled by the Cawthra family, who have held the land for many years. The bond issue represents but sixty per cent. of the value of the property, and the Cawthra Estate is interested to a heavy extent in securities junior to the bond issue.

FUNDED DEBT

7% First Mortgage Bonds

Dated June 1, 1926; due June 1, 1946. Interest payable Dec. and June 1.

Authorized (closed); issued $425,000; callable at 105 to June 1, 1934; 103 to 1939; 102 to maturity.

Secured by first mortgage on properties.

Sinking Fund—$8,500 p.a., sufficient to retire more than half issue before maturity.

Trustee—Toronto General Trusts Corp., Toronto.

Chomedy Apartments

At the present time the Chomedy Apartments has one or two vacancies. The real estate mortgage issue on the property is in a somewhat different category from most real estate issues for the bonds were put out after the building had been in long and successful operation for many years. Thus, the financial results which are presently being obtained are in line with the figures published at the time the bonds were first offered the public early in 1926. Furthermore, the sinking fund on the issue has already gone into force. The trust deed provides that commencing December 31, 1926, for the first three years, the sum of $5.000 shall be utilized to redeem the bonds. In succeeding years the sinking fund retires a larger number of bonds so that by maturity date 50 per cent. of the issue will be redeemed.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	$ 200.000	$ 200,000	$100

FUNDED DEBT

6½% Sinking Fund Bonds

Dated Jan. 1, 1926; due Jan. 1, 1941. Interest payable Jan. and July 1.

Authorized (closed); issued $325,000. Callable at 105 to 1930; 103 to 1935; 101 to maturity.

Secured by first mortgage on properties, and floating charge on all other assets.

Sinking Fund—Commencing Dec. 31, 1926, $5,000 for first 3 years; $7,000 for next 4 years; $9,000 for last 7 years; plus interest on bonds redeemed; sufficient to retire half issue by maturity.

Trustee—Montreal Trust Co., Montreal.

Clarendon Apartments

Clarendon Apartments are now in course of construction and will likely be completed within two or three months. They are being built on a highly desirable site in a high class residential district of Toronto. Plans call for an apartment house of 200 rooms, divided into 44 suites, containing all modern conveniences. The building is well located as regards transportation, being in close proximity to the street railway, bus lines, etc.

The apartment situation in Toronto at present is not of the best. Rents have been lowered, even in the finest types of apartment, and while there may be a change for the better before the Clarendon is completed, it is just possible that a number of suites in that apartment will remain vacant until the renting situation strengthens. It is understood, however, that a majority of the apartments have already been rented, so that carrying a few vacancies will not be too great a handicap.

Allowing for a small percentage of vacancies and based on the average rental received from high class properties in other cities, it is estimated the net revenue available for bond interest will be $73,920. Interest on the first mortgage bonds is $35,000, so that indicated revenues are about twice the interest requirements.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	5,000 shs.	5,000	n.p.v.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Dec. 15, 1926; due Dec. 15, 1946. Interest payable June and Dec. 15.

Authorized (closed); issued $500,000. Callable at 103 to Dec. 15, 1934; 102 to 1941; 101 to maturity.

Secured by first mortgage on properties and floating charge on all other assets.

Sinking Fund—$12,500 annually, commencing Dec. 15, 1929. (20-year endowment insurance policies taken on lives of President and Secretary endorsed in favor of trustees for bondholders, premiums to be paid out of Sinking Fund). Sufficient to retire $400,000 of issue at maturity.

Trustee—The Royal Trust Co., Toronto.

Crescent Road Apartments

It is too early to determine how the revenues of the Crescent Road Apartments will measure up to the estimate as set forth in the original prospectus. The building has only been completed a short time, and, so far, rentings have been fairly satisfactory.

The issue of $160,000 constitutes a first close mortgage on the property on the West side of Yonge Street, between Gibson Avenue and Townsley Street, in the city of Toronto. A modern three-story apartment building has been erected on the property, completely equipped with all modern conveniences. The site is a particularly attractive one, inasmuch as it faces Crescent Road and the Rosedale Ravine Park and adjoining the property on the south is Ramsden Park.

The land and buildings have been independently appraised at $254,000. Allowing for 10 per cent. vacancies, net income from the property is estimated at $19,620 or nearly twice the amount needed to meet interest charges on the first mortgage bonds.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	$50,000	$50,000	$5

Controlled by W. R. P. Parker, owner of property.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Sept. 1, 1926; due Sept. 1, 1946. Interest payable Mar. and Sept. 1.

Authorized (closed); issued $160,000. Callable at 105 to Sept. 1, 1934; 103 to 1939; 102 to maturity.

Secured by first mortgage on property.

Sinking Fund—$3,200 annually, and interest on bonds redeemed, commencing Sept. 1, 1928, sufficient to retire more than half issue before maturity.

Reserve Fund—$10,000 to be accumulated out of annual profits as further security for bonds, to be maintained for 10 years, and not impaired through payment of dividends.

Trustee—National Trust Co., Toronto.

Second Mortgage Income Charge Bonds

Authorized $60,000. Issued $60,000, accepted by owners in payment for land.

Deer Park Manor

Among the better known and more popular apartment houses in Toronto is the Deer Park Manor. While small, in comparison with other buildings of a similar nature in the city, its central location and many conveniences, have enabled the promoters to rent the apartments on a profitable basis.

The apartment house situation in Toronto is probably worse off than in other cities of a similar size. The large number of home-owners in the city, together with over building, has caused the paring down of rents in the past year, so that a number of apartment houses have found it difficult to find suitable tenants.

Deer Park Manor, however, has been fortunate in finding favor and the larger numbers of its apartments are rented throughout the year. Earnings have been satisfactory and all obligations have been taken care of.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7% cum.	$ 100,000	$ 100,000	$100
Common	2,500 shs.	2,500 shs.	n.p.v.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Dec. 1, 1925; due Dec. 1, 1940. Interest payable June and Dec. 1.

Authorized (closed); issued $150,000. Callable at 103 to Dec. 1, 1933; 101½ to maturity.

Secured by first mortgage on all properties and by floating charge on rentals and all other assets.

Sinking Fund—$4,000 annually, and interest on bonds redeemed commencing Dec. 1, 1927, sufficient to reduce outstanding bonds to $60,000 at maturity.

Trustee—Chartered Trust & Executor Co., Toronto.

7% Second Mortgage Sinking Fund Bonds

10 year bonds.

Issued $35,000.

Devonshire Apartments

The rapid growth of the city of Vancouver in the past five years has brought about a vast improvement in the housing situation. Residences are in demand, while apartment houses have had no trouble in renting available space. The Devonshire Apartment House is a seven-story structure, situated one block from the business centre of Vancouver and since its completion, has been one of the most successful properties of the city. It was financed by the flotation of a real estate bond issue—the first on the Pacific coast.

CAPITALIZATION

6½% first mortgage bonds, $450,000.

BOND ISSUE

6½ per cent. first mortgage serial coupon bonds. Dated Oct. 1, 1923, maturing Oct. 1, 1926, to Oct. 1, 1937. Interest payable April and Oct. 1. Bonds and coupons payable in Canada and United States. Denominations of $1,000 and $500 bonds in all maturities; $100 bonds in last maturity only. First offered in November, 1923.

Drummond Investment

The Drummond Investment Company owns and operates two of the largest apartment buildings in Montreal situated in a strategic location in the centre of the city. The properties adjoin one another. There are some vacancies in both buildings, but the percentage of rented space is high.

The earning power position of the company is seen in the annual report for the 1926 year which showed earnings available for the interest and reserves of $191,258 against first mortgage bond interest amounting to $124,551. A substantial reduction in the bonds outstanding has been effected through the operation of the sinking fund since the issue was first sold to investors.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Par
Common	$1,700,000	$1,700,000	$100

FUNDED DEBT

(1) 6½% First Mortgage Sinking Fund Bonds

Dated June 1, 1924; due May 1, 1938.

Authorized $2,000,000 (closed); issued $2,000,000; outstanding $1,849,500.

Secured by first mortgage on properties, and floating charge on revenue therefrom.

Sinking Fund—Annually $50,000 from May 1, 1925, to 1927; $60,000 from 1928 to 1937; sufficient to retire $714,000 by or before maturity.

Trustee—Montreal Trust Co., Montreal.

(2) 7% General Mortgage Sinking Fund Bonds

Dated June 1, 1924; due May 1, 1938. Interest payable June and Dec. 1.

Authorized and issued $650,000. Outstanding $615,500. Callable at 105 to June 1, 1928; 102 to 1932; 101 to 1936; par to maturity.

Secured by mortgage on properties and floating charge on revenue therefrom, subject only to first mortgage (see 1 above).

Sinking Fund—$10,000 annually and interest on bonds redeemed, sufficient to retire $225,000 by maturity.

Trustee—The Royal Trust Co., Montreal.

Drummond St. Realty

The Drummond Street Realty Corporation owns the La Salle, an apartment house and an adjacent apartment hotel situated in the central section of Montreal. While the tourist traffic was late in commencing this year, yet the earnings from the properties have been up to the estimates made at the time the bonds were offered publicly early this year.

The building is located within two or three blocks of the leading hotels and theatres and the volume of earnings which the company will obtain will depend very largely on the business which it experiences in the winter months. At the time the bond issue was sold; a bonus of common stock was given with the bonds.

In the winter time the apartment hotel will cater to that large section of the community which resides in the city from October until May.

CAPITALIZATION

Capital Stock—Common stock—Authorized and issued 10,000 shs., n.p.v.

FUNDED DEBT

6½% Refunding Sinking Fund General Mortgage Bonds

Dated Feb. 1, 1927; due Feb. 1, 1942.

Authorized $625,000 (closed); outstanding $600,000 of which $400,000 are held in escrow.*

Secured by first mortgage on entire property, subject only to first mortgage of $390,000.*

Sinking Fund—2% p.a.

*Held to retire first mortgage bonds due 1930, but with renewal privilege to 1935. When this lien is redeemed the present issue will become first mortgage on property.

"The Chateau," corner Sherbrooke and Mountain Streets.

A Triumphant Contribution To Distinguished Living

TWO years ago an idea, a dream-vision — to-day, a triumphant realization—"The Chateau" has created a new interpretation of distinguished living in Canada's largest city. Achieved for the discriminating, "The Chateau" in beauty of design, in atmosphere, in perfection of appointments and service has won full occupancy.

As the most recent undertaking of the Hon. P. R. DuTremblay, K.C., M.L.C., there is assured that sustained success in the maintenance and perfection of administration which the discerning demand.

Interpreting the romance of old France, yet modern in minute detail of comfort and convenience; situated in the social heart of Montreal, yet not aloof from the business center, "The Chateau" contributes to the Canadian people a new expression of a standard of successful living.

"The Chateau"—Montreal

Canada's Finest Apartment

$675,000

Themis Building, Limited

6½% 15 Year First Mortgage (closed) Sinking Fund Gold Bonds

Dated March 1st, 1927 To mature: March 1st, 1942

Capital and interest payable (March and September) at the Banque Canadienne Nationale, in Montreal and Quebec, or at the Bank of Montreal, in Toronto

Coupon Bonds of $1,000, $500 and $100 registrable as to principal

Price: 100 and interest — to yield 6.50%

The Building will have ten storeys and will be located at the South-West corner of St. James Street and St. Lawrence Boulevard, having a frontage of 115 feet on St. James Street and 84 feet on St. Lawrence Boulevard.

These Bonds will be secured by a first, closed mortgage on the land, building and accessories and by a first charge on the net revenue of the property. The sinking fund will redeem 40% of the entire issue by maturity.

The land and building have been appraised at $1,050,000, which leaves an equity of $375,000 above the amount of the First Mortgage Bond issue.

The estimated net earnings for the first full year of operation, after a liberal allowance for vacancies, amount to twice the greatest annual charge on this bond issue.

$600,000

Garment Centre Capitol Inc.

HERMES BUILDING

6½% 15 Year First Mortgage Sinking Fund Gold Bonds

Dated March 1st, 1927 To mature: March 1st, 1942

Principal and half yearly interest coupons (September 1st and March 1st) payable at the Bank of Montreal, in Montreal, Quebec or Toronto

Coupon Bonds of $1,000, $500 and $100 registrable as to principal

Price: 99 and interest — to yield 6.60%

The Building will have eleven storeys above the street and will be located at the corner of Peel and Burnside Streets, opposite the Mount Royal Hotel, and only one block distant from one of the busiest corners of Montreal (Peel and St. Catherine Streets).

These Bonds will be secured by a first closed mortgage on the land, building and accessories and by a first charge on the net revenue of the property. The sinking fund will redeem 40% of the entire issue by maturity.

The land and completed structure have been appraised at $1,013,000, leaving an equity of $413,000 above the amount of the First Mortgage Bond issue.

The net earnings estimated by Mr. Arthur Surveyor, C.E., for the first full year of operation, after a liberal allowance for vacancies, amount to twice the interest charges on the bond issue.

Full particulars on request

RENÉ-T. LECLERC
INCORPORATED

MONTREAL
160, St. James Street

QUEBEC
74, St. Peter Street

(Established 1901)

294

Apartment House Issues

Ellis Park Apartments

Ellis Park Apartments is one of the first of the more modern types of large apartment house construction in the city of Toronto. Located on Bloor St. West, overlooking High Park and affording an admirable view over the east end of the city and the waterfront, the company has had excellent success in renting the apartments.

Early last month, the announcement was made that the owners planned to construct a three hundred room annex for Ellis Park apartments. This fact alone is sufficient to indicate the success of this venture.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Feb. 1, 1925; due Feb. 1, 1945.

Authorized (closed); issued $275,000. Callable at 103 to Feb. 1, 1933; 102 to Feb. 1, 1940; 101 to maturity.

Secured by first (closed) mortgage on properties and floating charge on all other assets.

Sinking Fund—$6,000 p.a., payable half-yearly, plus interest on bonds redeemed, commencing Feb. 1, 1926, sufficient to reduce bonds to $50,000 at maturity.

Trustee—Chartered Trust & Executor Co., Toronto.

Kensington Manor

Kensington Manor Apartment building is another of the numerous similar types of structures, which have been put up in Windsor by the United Bond Co. It is not a large building, as experience has shown that the smaller structure does better in Windsor, being easier to rent and more economical to operate.

In view of the construction of a bridge between Windsor and Detroit, as well as the great industrial activity at these two points, the renting situation in Windsor has been of the best. Consequently, Kensington Manor has been well occupied at all times and earnings have been sufficient to take care of all obligations.

The bonds of this enterprise are unconditionally guaranteed by the United Bond Co., both as to payment of interest and principal.

FUNDED DEBT

7 Per Cent. First Mortgage Serial Bonds

Dated Oct. 20, 1924: due serially in 2, 3, 4, 5, 6 and 7 years. Interest payable Apr. and Oct. 20.

Authorized and issued $95,000.

Secured by first mortgage on property.

Guaranteed by United Bond Co., Ltd.

Trustee—London & Western Trusts Co., Ltd., London, Ont.

Mountainview Apartments

Hamilton is known as a city of home-owners, but the greater convenience and luxury offered by apartments, has had the effect of creating a demand for apartment space. Consequently, Mountainview Apartments, one of the newer and more modern high class apartment building, has been operating on a satisfactory basis. It is too early to form an opinion on the earnings of this property, as it has only been completed and in operation for a few months.

The project has been financed by the flotation of $300,000, 7 per cent. first mortgage bonds sinking fund bonds. The capitalization of the company also includes $200,000, 7 per cent. second mortgage bonds, $60,000, 7 per cent. preferred stock and $40,000 common shares with par value of $100 each. All the common stock is privately held.

The total value of the land and building is estimated at $586,200, so that the first mortgage represents 51 per cent. of the total value.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated Feb. 1, 1926; due Feb. 1, 1946. Interest payable Feb. and Aug. 1.

Authorized (closed); issued $300,000. Callable at 103 to Feb. 1, 1934; 102 to 1941; 101 to maturity.

Secured by first mortgage on properties and floating charge on all other assets.

Sinking Fund—$500 monthly, commencing July 15, 1927, plus interest on bonds redeemed; sufficient to reduce issue to $75,000 at maturity.

Trustee—Chartered Trust and Executor Co., Toronto.

Montreal Apartments

The Montreal Apartments owns and operates the Chateau which was completed about two years ago. It is perhaps the most popular apartment house in Montreal due to its central location and service features. At the present time, there is not a vacancy in the building.

The Chateau was not finally completed until the early months of 1926. In that year rentals in some cases began only in May and others from September and October. But, gross revenue for the 1926 fiscal year amounted to $301,356. After operating expenses and taxes, net earnings amounting to $192,412 were available for first mortgage bond interest of $121,875.

The apartments in the building have all been leased for three and five years. Earnings during the current year will show an increase.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Common	15,000 shs.	15,000 shs.	n.p.v.

FUNDED DEBT

6½ Per Cent. First Mortgage Bonds

Dated Jan. 1, 1925; due Jan. 1, 1940. Interest payable Jan. and July 1.

Authorized (closed); issued and outstanding, $1,875,000. Callable at 105 to 1930; 103 to 1935; 101 to maturity.

Secured by first mortgage on properties.

Sinking Fund—$23,437.50 annually, and interest on bonds redeemed commencing July 1, 1927, payable half-yearly, sufficient to retire half of bond issue by maturity.

Trustee—Montreal Trust Co., Montreal.

6 Per Cent. Second Mortgage Bonds

Authorized and issued, $350,000.

Ouellette Apartment

Ouellette Apartment Building, is a small structure in the City of Windsor, containing 18 apartments of three rooms and bath each. The active demand for apartments, residences, and other dwellings in that city has enabled the owners to operate this building at a revenue in excess of what was originally expected.

This has been due, in some measure, to the large number of people working in Detroit, but living in Windsor. More attractive living conditions on this side of the river have caused a number of industrial workers to commute between the two cities daily.

About six months after the building was completed, it was sold for $125,000. This is especially interesting, in view of the fact that appraisal of the house sponsoring the bond issue was only $100,000. Furthermore, according to the original prospectus, gross earnings were placed at $13,000. For the last twelve months, ended June, gross rentals have been $20,400, and after allowing for all expenses and vacancies, the net revenue was $13,000.

FUNDED DEBT

7 Per Cent. First Mortgage Bonds

Dated Feb. 22, 1924; due serially 1926-1931. Interest payable Feb. and Aug. 22.

Authorized and issued $50,000. Outstanding $45,000.

Secured by first mortgage on property.

Monthly sinking fund provided sufficient to meet interest and principal payments falling due. Guaranteed by United Bond Co.

Prince of Wales Apartment

One of the most popular family apartment buildings in Windsor, is that of the Prince of Wales Apartment Building. So keen is the demand for this type of dwelling that the building was sold before completion for $80,000.

There are fourteen apartments, each of three rooms and bath in the building. All are steam heated, tile finished bathrooms and showers. Each apartment is furnished with portal bed, electric range, and refrigerator served by mechanical refrigeration from a central plant. There is an interior telephone system. It is modern in every way and is considered one of the finest apartment houses in Windsor.

No information is available as to earnings, but it is understood that they have been up to expectations. Moreover, the principal and interest on the Prince of Wales Apartment Building bonds are guaranteed by the United Bond Co.

FUNDED DEBT

7 Per Cent. First Mortgage Serial Bonds

Dated Aug. 9, 1926; due serially 1928-1933. 5 per cent. of principal matures each year. ($250 falls due each month, from Feb., 1927, to July, 1928). Interest payable Feb. and Aug. 9.

Authorized and issued $40,000.

Secured by first mortgage on entire property.

Guaranteed by United Bond Co.

Trustee—London & Western Trusts Co., London, Ont.

Quebec Apartments

The floor space of the Chateau St. Louis, owned and operated by the Quebec Apartments, Limited, is completely rented at the present time. Earlier this year, the company had a few vacancies in its smaller apartments, and some difficulty was encountered in leasing a few of the really small apartments, which the building contains. However, in the meantime, the company furnished these smaller apartments and rented them to tourists. There is a large tourist traffic through the city of Quebec at practically all seasons, and for the future, it is anticipated that the apartments will be completely occupied, or very close to it.

With the improved occupancy position of the company, it is anticipated that in a year or so dividends will be initiated on the $350,000 of 7 per cent., cumulative, preferred stock outstanding. Most of the investment interest in the company, though, is confined to its bond issue, as a large proportion of the preferred stock is closely held. The building was completed just a little over a year ago, and is eleven stories in height. It is the only modern, fire-proof apartment building in the city of Quebec. Earnings from the property are running well over the bond interest requirements, and are also in excess of the dividend requirements of the preferred stock.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7% cum.	$ 350,000	$ 350,000	$100
Common	2,500 shs.	2,500 shs.	n.p.v.

FUNDED DEBT

6½% First Mortgage Sinking Fund Bonds

Dated July 1, 1925; due July 1, 1940. Interest payable Jan. and July 1.

Authorized (closed); issued $750,000. Callable at 105 to July 1, 1930; 103 to 1935; 101 to maturity.

Secured by first mortgage on properties.

Sinking Fund—1½% of Bonds issued and interest on bonds redeemed, payable half-yearly, commencing July 1, 1928.

St. James Court

St. James Court is one of the most recent additions to the list of high grade housing accommodations in the city of Toronto, located on St. Clair Avenue, between Yonge Street and Avenue Road. This is one of the best residential districts in the city, served by an efficient street car service and is close to the theatre and shopping district. The building is built in a U shape with four separate entrances, containing fifty-six apartments of one, three, four and five rooms. It is estimated that the net annual rentals are approximately $33,000 or more than twice the annual interest of the serial bond; the bond issue, floated in 1925, amounted to $250,000.

An added feature of the bonds of this apartment building is the 2% rebate of the Federal income tax, which increases the yield of the bonds to about 6.33 per cent. to those who are subject to income tax. The mortgage bears the conservative percentage of 59.7 per cent. to the value of the completed property.

FUNDED DEBT

6½% First Mortgage Serial Coupon Bonds

Dated Jan. 30, 1925; due serially, commencing with $7,500 Jan. 30, 1927, increasing annually to 1935. Interest payable Jan. and July 30.

Authorized and issued $250,000. Callable at 105 to Jan. 30, 1926; decreasing annually by ½ of 1% to 102½.

Secured by first mortgage on properties.

Safeguarded under Straus plan.

Trustees—National Trust Co., Ltd., and W. R. Gillespie, Toronto.

Ste. Claire Apartment

The apartment house situation in Windsor has been exceedingly good for some time past and no trouble is experiencing in renting first class apartments. Such has been the case with the Ste. Claire Apartment Building, which has now been in operation about a year and a half. Earnings have been well up to expectations and the financial position of this enterprise is satisfactory.

The property is located in one of the choicest residential sections of the city of Windsor. Great care was taken in seeing that the materials going into the construction of the building, architecture, fittings, etc., were of the best.

An attractive feature of investments in the mortgage bonds of this project is that the normal 4 per cent. Dominion income tax on all income derived from these bonds is repaid to the bondholder through the United Bond Co., making them virtually a tax free investment.

FUNDED DEBT

7 Per Cent. First Mortgage Bonds

Dated Mar. 9, 1926; due serially from 1929-1933. Interest payable Mar. and Sept. 8.

Authorized and issued $70,000.

Secured by first mortgage on entire property.

Sinking Fund provided.

Guaranteed by United Bond Co., Ltd.

Trustee—The London & Western Trusts Co., London, Ont.

Victoria Manor

The Victoria Manor Apartment is one of the better class apartment houses erected in the Border Cities during the past few years. The property is located in Sandwich on one of the newer streets in an excellent residential district lying between the business centres of Windsor and Sandwich.

The structure is of solid brick, concrete and steel construction comprising three stories and full basement, and contains thirty-six apartments, each of three rooms and bath. Floors are oak throughout and soundproof. Every convenience, such as electric refrigerators, electric ranges, gas clothes dryer, etc., have been installed.

Rentals have been very good, and

(Continued on page 24)

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Bonds

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Write for our latest list of offerings yielding from 6½% to 7%

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Centrally located, revenue-producing real estate and buildings offer exceptional security. Properly safeguarded real estate first mortgage bond issues permit of widespread public participation in investments of this type, with safety.

Among the buildings securing first mortgage real estate bond issues distributed by Royal Securities are the following:—

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Booth Building, Ottawa
Castle Building, Montreal
Chateau Apartments, Montreal
Chateau St. Louis, Quebec
Drummond Apartments, Montreal
Jackson Building, Ottawa
Medical Arts Building, Montreal
Northern Ontario Building, Toronto
London Hotel, London, Ont.

Our current offerings include several bonds of this type which can be purchased to give satisfactory yields. Write for particulars.

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In the service of industry
ANKS MORSE

Municipalities

Many municipalities are by necessity or by choice proprietors and operators of public utilities. The chief commodities which they retail to their citizens are water and electricity. They must needs manufacture economically so that their rates and taxes may compare favourably with those of other municipalities. Moreover their street lighting and water for fire protection must be maintained at a high level of efficiency.

In evolving the present Fairbanks-Morse Diesel Engine which supplies power for pumping and for generating electric energy with such marked economy, and in building such other equipment as pumps, generators and motors which operate with unusually high efficiencies, this company has rendered a distinct service to municipalities. It has given us great pleasure to note the improvement in street lighting and in water pressure, and the low rates made possible in many towns for which we have supplied generating and pumping equipment.

In a similar way we serve practically every other branch of industrial activity in the Dominion. Any of our eleven branches is prepared to furnish machinery, equipment and supplies which are illustrated and briefly described in our 800-page general catalogue.

Scales-Valves-Gasoline & Oil Engines-Pumps
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520

APARTMENT ISSUES

(Continued from page 23)

(Victoria Manor)

the percentage of vacancies has been especially small for a building of this type. Payments of both principal and interest on the bonds of this apartment are guaranteed by the United Bond Co.

FUNDED DEBT

7 Per Cent. First Mortgage Bonds

Dated July 1, 1924; due serially 1927-1931. Interest payable July and Jan. 21.

Authorized (closed); issued $155,000.

Secured by first mortgage on entire property.

Guaranteed by United Bond Co., Ltd.

Trustee — London & Western Trusts Co., London, Ont., and H. E. Wade, Detroit.

Windsor Arms

Windsor Arms, Ltd., is the owner of a block of land in Toronto on the corner of St. Thomas and Sultan Streets, adjacent to the University of Toronto grounds, on which there is now being erected a modern four-story apartment hotel, consisting of 94 suites containing 230 rooms and 94 bathrooms.

A 6½ per cent. first mortgage, 20 year sinking fund bond issue of $350,000 has been placed on the market to finance the enterprise. Land and buildings have been appraised at $585,890, so that the first mortgage is less than 60 per cent. of independent valuation. Income for bond interest of $22,750 and sinking fund is estimated at $66,656 per annum. Sinking fund payments, of $7,500 a year, will be invested in participating endowment insurance.

Capitalization—	Outstanding
6½% 1st mtge. bonds	$350,000
7% preferred stock	100,000
Common stock (no par)	5,000 shs.

Bond Issue—$350,000, 6½ per cent. first mortgage sinking fund gold bonds, dated June 1, 1927, due June 1, 1947.

Denominations $1,000, $500 and $100, with privilege of registration as to principal. Redeemable as a whole or in part at the company's option on 30 days' notice, at 105 and accrued interest to June 1, 1937, and 102 and accrued interest thereafter to maturity.

Sinking Fund—$7,500 per year, which will be invested in participating endowment insurance.

First offered June, 1927, at 98½ and accrued interest, to yield 6.65 per cent.

400 Avenue Road Apartment

Four hundred Avenue Road is one of the newer apartment house enterprises in Toronto. A block of land in the estate of the late Sir. Wm. MacKenzie was secured by the promoters, upon which has been erected a four-storey apartment house, comprising 214 rooms, divided into 41 suites and garages.

The capital structure of the company, is composed of $300,000, 7 per cent. first mortgage sinking fund bonds; $50,000, 7 per cent. cumulative preferred stock and 6,000 common stock shares. The bonds are amply secured by the land and buildings, which are independently appraised at $506,100, so that the first mortgage issue represents less than 60 per cent. of the total value.

Yearly revenue derived from rentals of the completed building, is estimated at $42,798 net. The annual interest of the first mortgage bond issue is $21,000.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 7% cum.	$100,000	$ 50,000	$50
Common (shs.)	6,000	6,000	n.p.v.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated June 1, 1926; due June 1, 1946. Interest payable Dec. and June 1. Authorized and issued $300,000. Callable at 103 to June 1, 1934; 102 to 1941; 101 to maturity. Secured by first mortgage on all properties and floating charge on all other assets.

Sinking Fund—$3,000 payable half-yearly, commencing June 1, 1928.

Trustee—Toronto General Trusts Corp., Toronto.

200 St. Clair Avenue West

200 St. Clair West is synonymous of the best in apartment houses in Toronto. It is one of the first to be architect-built in the city; is situated in a high grade section of the city; is centrally located and is thoroughly modern in every respect.

While apartment rents have declined in the past twelve months, 200 St. Clair West has managed to keep the majority of its apartments rented and the income therefrom has been sufficient to meet all obligations.

There is no second mortgage in connection with this apartment.

CAPITALIZATION

Capital Stock—	Authorized	Issued	Par Val.
Pref. 8% cum.	$125,000	$ 100,000	$50
Common	5,000	5,000	n.p.v.

FUNDED DEBT

7% First Mortgage Sinking Fund Bonds

Dated July 1, 1925; due July 1, 1945. Interest payable Jan. and July 1.

Authorized (closed); issued $180,000. Callable at 103 to July 1, 1933; 102 to 1940; 101 to maturity.

Secured by first mortgage on property, and by floating charge on all other assets.

Sinking Fund—$4,000 annually, plus interest on bonds redeemed, payable half-yearly. Sufficient to reduce first mortgage to less than $36,000 at maturity.

Trustee—Chartered Trust & Executor Co., Toronto.

ECONOMIC HEIGHT FOR BUILDINGS

(Continued from page 17)

cause the travel is mostly vertical. Flatten out the financial district to eight or ten stories and those offices might be ten or twelve blocks apart, and the traffic on the surface would be just that much more congested."

Regulation Admittedly Necessary

Mr. Corbett is ready to admit that regulation has its place. City planning, too, to provide for wider streets is necessary for the future. But, says he: "In spite of the inadequacy of its original plan, New York has become the greatest city in the world chiefly because of that group of skyscrapers which have made history. Perhaps if the entire area of Manhattan Island were allowed to grow up in forty-story skyscrapers of the cracker-box type, without regard to transportation, traffic, light or air, it would be disastrous to the business of the city. But it is hardly likely that the men whose ingenuity and common sense created the present-day marvel of the skyscraper will kill the goose that laid the golden egg."

In the meantime the National Association of Real Estate Boards, which includes Canadian realtors, has offered a prize for an answer to the question: "What is the Economic Height for Buildings?"

Real Estate Bonds Are Gaining in Popularity

Due to Many Attractive Features — The Safety of the Ordinary Mortgage Investment is Combined With the Satisfactory Features of a Bond

The real estate bond is a necessary adjunct of modern civilization. It creates the large sums necessary for the erection of larger buildings, both for office or apartment use, and from the resulting economies of such construction the investor has the opportunity of making a profit. As the office buildings, the apartment houses and the merchandising houses have grown larger, so it has become necessary to appeal to the public for funds. So the real estate mortgage bond, by fulfilling a vital, communal need, assists alike the borrower and the investor.

But the attractiveness of real estate mortgage bonds, some of which carry bonuses of common stock, vary and it is therefore incumbent on the individual investor to make a careful analysis of the security provided by such type of investment. While it is also the duty of the bond houses sponsoring such issues to make careful investigations and to present their results to the prospective purchaser of bonds, yet this fact does not relieve the purchaser of such mortgages from making an investigation of his own.

Takes Many Precautions

Before a bond house purchases a real estate issue, it takes every precaution to see that there is an inherent element of safety in the issue which will protect the purchaser. This element of safety can, of course, be obtained by the investor by purchasing an individual mortgage. But in the case of the real estate mortgage bond, all the trouble of collection is avoided; interest and principal payments are met promptly; taxes on the property are paid and fire insurance payments are kept up. These and a hundred and one minor matters are looked after for the bondholder by the trustee for the issue.

All the bondholder has to do is to take a pair of scissors and clip his interest coupons on the interest date. Furthermore, should he desire to realize on its investment, his bond is easily saleable.

Sinking Fund Adds Strength

One of the unique features of such bonds is the sinking fund, that is unique as compared with the investment in the ordinary mortgage. The earnings from the property in part go to the trustee for the bondholders, who each six months or each year, set aside certain sums either to redeem some of the bonds in the open market or to be invested in marketable securities. Usually, these sinking funds reduce the amount of bonds outstanding at the end of the term of the issue very substantially. In some instances, the sinking fund redeems the whole issue. The trustee for the bondholders takes special care to see that both interest and sinking fund payments are met, so that as the years progress the security behind each of the bonds remaining outstanding is steadily increased. Real estate bonds have a maturity date of from ten to twenty or twenty-five years. With the ordinary mortgage, the investor may have the bother and trouble of reinvesting his funds in as short a period as three years.

With Declining Rates

In these days of declining interest rates, the fact that real estate bonds do not mature for many years is a factor which adds to their attractiveness for the investor who can take the time to study carefully each individual issue on its own merits.

A recent issue of the monthly market letter of Johnston and Ward makes the following points regarding the advantages of real estate bonds:

" The real estate mortgage bond is a modern and comparatively recent form of evolution of that pioneer of securities—primeval in its origin and antiquity—the real estate mortgage. The 'Mortgage' as originally represented by a 'lump sum' loan advanced from one source and covering a whole property, has developed into the 'bond,' a moderate-priced multiple of the whole; easy of financing, and provided not only with all the security of the mortgage but with a constant strengthening of safeguards year by year up to maturity. The real estate mortgage bond is a necessary and typical phase of modern business requirements, and therein rest its essential strength and attraction as an investment.

Compared With Mortgages

"Real estate mortgages on approved properties are likely to continue to rank as suitable investments appealing to a limited clientele. However, they are outside the reach of the great majority of investors. Few have sufficient funds for investment to assume a mortgage on an entire city property; nor do the majority of investors feel that they are in a position to set a value upon such a property where a loan is desired, nor on the ability of the borrower to repay interest and principal as each becomes due.

"The real estate mortgage bond is freed from these and other disadvantages. While the property to be mortgaged may run in value into millions of dollars, hundreds or thousands of units are created in the form of a "bond," with a par value of $1,000 or $500 or frequently as low as $100, suited to the requirements of even the most modest investor. Nor is the period of maturity limited to the five years or often only three of the ordinary real estate mortgage.

AUTOMOBILE HOTEL HELPS SOLVE THE PARKING PROBLEM

(Continued from page 17)

the building. In some instances this has been found to be unprofitable and it is unlikely that this particular departure will gain much headway.

Automobile Hotel Here to Stay

Meantime the development of the automobile hotel in the downtown sections of the larger cities appears to be the most economical and best way of handling the parking problem. In this connection Commerce and Finance, in a current issue, gives the views of H. B. Peabody, of National Garages, Inc., Detroit, on this subject, as follows:

Fortunately, there has been proved by our policies the development of the idea of the automobile hotel, with all the services for the car that the hotel gives the driver, which gives an opportunity for profits to keep the storage rate down.

The modern successful hotel fills all the wants and needs of the human traveller up to the point where the hospital takes hold. Not only are your food, lodging and barber shop of the old-time hotel furnished to-day by the modern hotel, but a hundred and one other services, such as manicure, drug store, haberdashery, railway ticket service, theatre ticket and so on, through a steadily growing list up to and including the house physician, who will adjust your ignition, clean your spark plugs and perhaps diagnose your trouble as appendicitis, but at this point stops and turns you over to a hospital.

The development of the modern garage is exactly along these lines. The obvious place for all sorts of minor service to the car is in the daytime downtown parking garage, not as in days of a few years ago in the outlying garage near the home where the work must be done at night or the car laid up.

REAL ESTATE BOND ISSUE RESTS UPON APPRAISAL WORTH

(Continued from page 17)

come. In appraisals for bond issues where more than one appraiser participates, all of the appraisers estimating the separate units of value, including income, should reconcile their respective appraisals and sign a joint report.

(3) An appraisal report should state the conditions under which the valuation obtains, and should be in detail, upon a standard form furnished by the National Association of Real Estate Boards.

(4) An appraiser should have no interest in the property which is being appraised unless his interest is specifically disclosed in the appraisal report.

(5) An appraisal for a bond issue should in addition to showing the fair cash market value of the property also show the appraiser's estimate of gross earnings, operating expenses and resulting net income. In case the capitalization of the net income and the valuation are not reconciled, the reasons for the difference should be explained.

(6) All advertisements of bond issues should give the name or names and addresses of the appraisers, and should quote sufficiently from the appraisal report, both as to physical value and income, to reflect correctly the opinion and judgment of the appraiser, and certified copies of the full appraisal report should be available to the public at all times.

The establishment of appraisal standards for the issuing of real estate mortgage bonds and for the guidance and protection of investors has come to be a matter of public importance, both in view of the great extent to which such bonds have come into general use in the last few years and in view of the useful function which the new financing method has come to fill in enabling the small investor to participate in large building developments.

It is believed that the above proposals will not wholly do away with dishonest valuations, but will, in the main, undoubtedly have a beneficial effect. Theoretically, illogical valuation methods have been responsible for many cases of over and under appraisal with resultant economic losses and over financing. Thus the investor will find it to his advantage to deal only with reputable bond houses, who are known to be conservative in the matter of appraisal and other features connecting with the underwriting of a real estate mortgage bond issue.

Sound Real Estate Bonds

Bonds secured by mortgage on revenue-producing real estate and buildings in the central part of a large city rank as one of the safest and most stable forms of investment. In addition, the yield is usually higher than from most investments with equally sound security.

We specialize in the following first mortgage real estate bonds, in the original distribution of which we participated:

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St. Catherine Street Improvement Corporation
6½% Due 1947
Drummond Street Realty Corporation
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Real Estate Bond Market Expands Rapidly in Pool Year

During the past year over thirty new real estate mortgage bond issues have been placed on the Canadian market. This is a remarkable showing in view of the fact that this type of security was first introduced into Canada only a few years back. They have proven popular, however, and the readiness with which recent offerings have been absorbed, indicates that the real estate bond has firmly entrenched itself in this country.

So far trading has not been particularly active in this type of security. The fact that the larger proportion of new issues are taken up by institutions for long holds naturally limits the floating supply and the frequency with which new issues are brought out enables prospective purchasers to choose the type of bond, etc., that they particularly desire.

The following list of real estate bonds outstanding in the Canadian market gives a clear idea of the diversity of securities available, together with their relative market value and interest yields. It will be noted that the majority of bonds listed yield from 6 to 7 per cent., which is much above that offered for similar securities of equal worth.

Date		Company	Amount	Rate	Maturity	Price	Yield
	1919	Loew's, Toronto	$ 600,000	6	Serial	...	...
April,	1921	Can. Apartments	50,000	...	......	...	...
Sept.,	1921	Prince Edward Hotel	850,000	7½	Serial	100	7.50
Sept.,	1921	Border Cities Hotel	750,000	6½	1937	100	6½
March,	1922	Booth Bldg.	79,000	6½	1947	100	6½
June,	1922	Carlton House, Ltd.	79,000	6½	1947	100	6½
June,	1922	Transportation Bldg.	1,000,000	Sold in U.S.			
July,	1922	Professional Offices	275,000	7	Serial	100	7
July,	1922	Federal Building	550,000	7	1937	...	...
Aug,	1922	Montreal Med. Bldg.	900,000	Sold in U.S.			
Nov.,	1922	Ogilvy Realty	800,000	6½	1952	100	6½
Dec.,	1922	Windsor Hotel	2,500,000	6½	1943	100	6.50
Jan.,	1923	Montreal Ins. Exch.	2,200,000	6½	Serial	100	6½
April,	1923	Drummond Inv.	2,000,000	6½	1938	99	6.60
May,	1923	Sherbrooke St. Realty Corp.	524,500	8	1937	...	...
June,	1923	Keefer Realty	750,000	6½	1943	100	6.50
June,	1923	Canada Housing	600,000	6½	1943	100	6½
June,	1923	La Patrie	500,000	6½	1943	97½	6¾
July,	1923	Can. Property Co	1,300,000	6½	Serial	100	6¼-½
Nov.,	1923	Devonshire Apartments	450,000	6½	1938	100	6½
June,	1923	Barrington St. R.	160,000	7	1938	100	7
Feb.,	1924	Cavendish Court	450,000	...	....	...	...
April,	1924	Ouellette Apartments	50,000	7	Serial	...	...
June,	1924	Drummond Invest.	650,000	7	1938	98½	7.15
July,	1924	Victoria Manor Apts.	135,000	7	Serial	100	7
July,	1924	Border Cities	500,000	7	Serial	100	7
July,	1924	King Edward Hotel	1,000,000	7	Serial	100	7
Aug.	1924	Metropolitan Building	1,025,000	7	1944	100	7
Aug.	1924	Acadia Apartments	850,000	6½	1939	98½	6.65
Sept.	1924	Med. Arts Bdg.	550,000	8	1937	101	...
Oct.,	1924	Northern Ontario Bldg.	850,000	6½	1939	98½	6.65
Nov.,	1924	Admiral Beatty Hotel	600,000	7	....	100½	6.95
Dec.,	1924	Kensington Manor Apt.	95,000	7	Serial	100	7
Jan.,	1925	Montreal Apartments	1,875,000	6½	1940	98½	6.65
Feb.,	1925	St. James Court	250,000	6½	Serial	100	6½
Feb.,	1925	Ellis Park Court	275,000	7	1945	100	7
Mar.,	1925	National Realty Corp.	250,000	7	1945	100	7
May,	1925	Alexandra Apartments	350,000	7	1945	100	7
May,	1925	York Street Buildings	160,000	6½	1940	98½	6.65
June,	1925	Two Hundred St. Clair Ave.	180,000	7	1945	100	7
July,	1925	Chateau St. Louis Apts.	750,000	6½	1940	99	6.60
Sept.,	1925	Stanley Realty Corp.	400,000	7	1940	100	7
Oct.,	1925	347 Bay St. Building	400,000	7	1945	100	7
Nov.,	1925	Sherbrooke Realty Corporation	675,000	6½	1940	99	6.60
Dec.,	1925	York-Adelaide Realty Co.	400,000	7	1945	100	7
Jan.,	1926	Chomedy Apartments	325,000	6½	1941	99	6.60
Jan.,	1926	Deer Park Manor	150,000	7	1940	100	7
Feb.,	1926	Bloor-St. George Realty	510,000	7	1946	100	7
Feb.,	1926	Mountain View Apartments	300,000	7	1946	100	7
Mar.,	1926	St. Clair Apartment Bldg.	70,000	7	Serial	100	7
Apr.	1926	Bloor Building	650,000	7	Serial	100	7
May,	1926	Ravina Properties	150,000	7	1941	99	7.10
May,	1926	Granite Club, Limited	275,000	6½	1941	99	6.60
May,	1926	St. Catherine-Stanley Realty	1,000,000	6½	1946	99	6.60
June,	1926	Cawthra Apartments	425,000	7	1946	100	7
June,	1926	Vancouver-Georgia Hotel	1,350,000	6½	Serial	99	6.50
June,	1926	Four Hundred Avenue Road	300,000	7	1946	100	7
July,	1926	Carleton & Charles Terraces	110,000	7	Serial	...	...
July,	1926	St. Catherine Street Realty	275 000	6½	1946	100	6.50
Aug.,	1926	Prince of Wales Apt Bldg.	40,000	7	Serial	...	...
Sept.	1926	Ancroft Place	300,000	6½	1946	100	6.50
Sept.,	1926	Crescent Road Apartments	160,000	7	1936	100	7
Oct.,	1926	London Realty Co.	750,000	6½	1941	98½	6.65
Oct.,	1926	Manufacturers' Building	144,000	7	Serial	100	7
Dec.,	1926	Clarendon Apartments	500,000	7	1946	100	7
Dec.,	1926	Grouse Mountain Hotel	250,000	6½	1946	98½	6.60
Jan.,	1927	St. Catherine Improvement Co.	800,000	6½	1947	100	...
Feb.,	1927	Bishop Realty Co.	300,000	7	1947	100	7
Feb.,	1927	Drummond St. Realty Corp.	625,000	6½	1942	100	...
Mar.,	1927	Hermes Building	600,000	6½	1942	99	6.60
Apr.,	1927	Bay-Adelaide Garage	400,000	6½	1947	98½	6.65
June,	1927	Mayor Building	650,000	6½	1942	100	6.50
June,	1927	Godfrey Realty Corp.	1,500,000	6	1942	98	6.20
June,	1927	Trinity Apartments	160,000	6½	1947	100	6.50
June,	1927	Iroquois Apartments	34 000	8	1937	...	6
June,	1927	Empress Hotel	80,000	7	1942	99½	7.05
July,	1927	Richmond Building	875,000	7	1947	100	7

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THE FINANCIAL POST

Survey of Mines

1927 Edition

[To be ready for distribution to advance subscribers Aug. 15th]

NOTABLE as is Canada's present position in mining—producing more per capita than any other country—every indication points to the fact that the industry, as far as Canada is concerned, is in its early infancy, with a future so vast that it beggars description.

The Survey of Mines aims to give a clear, sane and comprehensive picture of what has been, and is being, accomplished in this great industry—a background of solid facts that deals with every mining camp and every mine of any moment in the Dominion. Every mine is fully covered and throughout the needs of the investor in mining shares have been held to be paramount.

The Financial Post's Mining Editor, D. E. Cushing, has personally visited every mining camp in British Columbia, Alberta, Manitoba, Ontario and Quebec, since volume one was produced, and is in a position to give a picture of the many recent developments.

The 1926 issue of the Survey of Mines met with such a hearty demand that it was sold out, 8,000 copies, within a very few weeks of its publication. This 1927 issue will undoubtedly meet with an even more hearty reception, so that it is advisable to order in advance.

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Canadian Mining News

THE FINANCIAL POST

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Geological Theory on Rouyn Extends Copper Area Greatly

Dr. A. R. Whitman Believes Sulphides Associated With Some Keewatin Lavas

HITS GRANITE THEORY

Discarded Idea That Deposits Are to be Attributed to Grano-Diorite Which Many Favor

By D. E. CUSHING
(Mining Editor, The Financial Post)

An advanced geological opinion on the ore deposition of Rouyn area, Quebec, which may extend the possible favorable area for the finding of sulphide deposits tremendously, is advanced by Prof. A. R. Whitman, University of California, at Los Angeles.

In a word, Dr. Whitman does not agree that the sulphide deposits of the Quebec area, are to be attributed to the great grano-diorite batholith; rather does he trace them to the Keewatin lavas.

Dr. Whitman was one of the first independent geologists to study the Rouyn area, spending the best part of the summer of 1923 there. His conclusions after that season's work were that the grano-diorite was the big factor in the copper deposits and for that reason the area in contact with it was the most favorable for the finding of commercial deposits. He, this year, returned to Rouyn and spent a considerable time there. His study has led him to change his opinion.

In outlining his new theory, Dr. Whitman did so in a most interesting manner and in a way that the layman can readily understand. In a measure his remarks are technical, but not too much so, for the layman.

In Keewatin Lavas

Dr. Whitman believes that the disseminated sulphides were first contained in certain Keewatin lavas as grains of primary mineral. Then when the rock altered, the sulphides migrated to the various fissures, folds, and contacts, and segregated there during the alterations. For this reason, he believes that it is possible to find copper ore in any of these particular lavas, where the alteration progressed to this stage of advancement and where the structure was favorable.

This, he says, does not limit it to the grano-diorite, but extends the field very much. It is possible that copper deposits will be found scattered over several townships of Quebec and extending west into Ontario.

Another strong point and one which has great importance to the mining industry, made by Dr. Whitman is that these deposits are not limited to surface regions, but will carry to depth, in fact, Dr. Whitman says, there has been considerable skepticism, especially out of Canada, in regard to the deposits of Canada being deep seated. He says the ores of Northern Ontario and Quebec, in fact, the whole pre-Cambrian, are characteristically deep seated, he sees no reason why they should not carry to the same depth as

(Continued on page 24)

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Manitoba's First Mill

The above picture shows the superstructure of the Central Manitoba Mill which is being pushed ahead rapidly. In the foreground will be seen the large amount of materials still to be put in place. All the equipment is on the ground, and it is expected that the mill will be completed, tuned up, and in full operation by Oct. 1. Directors meet in Winnipeg some time in September, and some important announcements are anticipated, including a statement on the ore reserves of the property. These, because of improvement in grade, may be somewhat of a surprise.

Sees Kirkland Lake Camp on 20 Million Basis by End of 1928

Interesting Prediction Made by Ottawa Writer in New York Paper—A High Mark for Present Producers to Shoot at

Will Kirkland Lake camp be producing on an annual basis of $20,000,000 yearly before the end of 1928? This will mean an increase in production from $8,841,732 on a basis of the June figures or from $10,291,584 on the May figures, in a period of 18 months. In other words, it is a question of the camp doubling its production in a year and a half.

To the writer, it seems, at first glance, like an estimate that is doubtful of achievement. Production figures for the first six months of the present year, as prepared by Ontario Department of Mines are as follows:

	Tons	Value
January	50,696	$ 600,354
February	50,103	592,230
March	60,272	706,083
April	59,075	698,782
May	61,687	857,632
June *	67,409	736,811
Total, 6 months	349,242	$4,191,892

Sylvanite Mill started in May and the first return was made and is included in June figures which is responsible for the tonnage increase though there was a marked decline in the average gold content of the ore treated. Thus, there are no new mills in sight and any increase in the next year at least will have to come from increases by the present producers. The E. and M. J. writer does not attempt to bet at the figures of the various producers 18 months hence, which would be a basis for his estimate, but, nevertheless, he presents general facts about the operators that cannot help but prove interesting to those who read it. The article is well illustrated. The opening paragraph in which the interesting $20,000,000 prediction is made, reads:

A story of steady progress is clearly revealed in the latest facts and figures relating to the development of the Kirkland Lake mining district of northern Ontario. Production in that district last year amounted to $7,193,393. Present indications are that before the end of 1928 the combined output of the camp will most probably exceed $20,000,000. A substantial increase was registered in May of the current year, when the district's production reached $1,857,632. This is the largest Kirkland output on record and is chiefly to be credited to the Teck-Hughes property, which now leads all the Kirkland mines. Deep development in the district is disclosing higher gold values and larger ore-bodies. It is estimated that many millions of dollars of new wealth will come from Teck-Hughes, Lake Shore, and Wright-Hargreaves mines alone.

Ontario gold production figures for 1926 show that Kirkland Lake was largely responsible for the slight increase over the record of the previous year. The output in 1926 was $31,099,000. Porcupine showed a decline of $900,000 to $23,680,000, while Kirkland Lake showed an increase of $1,800,000 to $7,193,000. The latter was attributable to general expansion of operations in the camp, and the Porcupine loss was caused by the decline in Hollinger output, which fell off to $14,829,000 from $15,749,000. Although gold has been mined and milled in Kirkland Lake since 1913, it was not until 1920 that production reached the million-dollar mark. Since that time there has been a steady increase from year to year.

Consolidated "Smelters" Net Declines Sharply

From Our Own Correspondent.

MONTREAL.—As a result of the lower metal prices which prevailed during the six months period, the half yearly earnings statement of the Consolidated Mining and Smelting Company shows a decline from last year. After making allowance for depletion, depreciation, contingent account and taxes, the net earnings for the six months ending June 30 last amounted to $5,734,168. This is a decrease of $581,213 from the figure of $6,315,381, the net earnings during the first half of 1926.

From these net profits, the company set aside $2,297,881 for additions to its property account. This left a balance of $3,436,287. Last year, the corresponding figure for the first six months operations was $5,638,237, but only $677,144 was transferred to reserve for additions to the property in that period.

In the full 1926 year the company earned $8,752,626, after all deductions including contingent reserve and additions to property through profit and loss. Presuming that the second half of the 1927 year yields the same results after all deductions of every kind as the first half, it will be seen that this last figure compares with an estimated net during 1927 of $6,872,574. This figure is obtained by doubling the net figure of the first six months—but it is to be noted that during the first six months of this year the amount set aside for additions to the property was larger than the amount set aside during the whole of the 1926 year.

Story Travelled Long Way to Get Into the Toronto Newspapers

Toronto papers this week carry a report from New York that the Toronto correspondent of the London Financial Times had reported that it was believed that the deal whereby Premier, B. C. and National Silver amalgamated, had been consummated.

The Toronto daily papers certainly get their news in a round-about way. This was a Financial Post story. It was published in The Post a week ago and was evidently seen by the Toronto correspondent of The Financial Times. Evidently the story travelled from Toronto to London, back to New York and then to Toronto and the Toronto papers got it, days old.

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B.C. Mining Stocks

Special wire to The Financial Post.

VANCOUVER.—For the week ending Wednesday, Premier has been very active. Dunwell prices eased. L. & L. Glacier was in demand at rising prices. Rest of the list was quiet. Premier, $2.24 to $2.25; Dunwell, 1.25 to 1.19-1.20; L. & L., 8; Sunlock, 65; Marmot Metals, 11½.

AMULET TRADING 5,000,000 SHARES IN TWO MONTHS

June and July Turnover Equals 2½ Turns for Every Share of Stock

PUBLIC ARE GAMBLING

No Official Information on Drill Results—Dealing on Margin Account Mostly

Trading in the Mining Market has assumed large proportions since the turn of the month and trading, which late in July gave indications of a continuance of the erratic holiday movements, has suddenly blossomed out into what might be considered a full bloom fall market. Whether it is just a spasmodic effort that will quickly die, or whether it will have some degree of permanence, remains to be seen.

A good deal of the trading is regarded as professional, but, nevertheless, the public is coming into the market strongly. It is true that it is a little early for a fall market, but the tendency of the past few years is to get in early before the fall market starts. This movement, to get the bargains, has steadily pushed the buying forward until the summer market has been reduced to a matter of a few weeks instead of months. Many brokers have been pounding home to their clients the statement that indications pointed to a bull market in mining shares this fall. Undoubtedly, this has keyed the public up to some extent.

Turnover Large

Amulet has continued to monopolize the trading. An analysis of the trading shows that during June and July there were 5,242,735 shares changed hands on the various exchanges, this is equivalent to every share changing hands over two and a half times as there are only 2,000,000 shares. As there are undoubtedly some large blocks held, the turnover would really mean a great deal more. This is undoubtedly indicative of what is a fact, that is, that the great bulk of the trading in Amulet has been on what is termed "open account," a quiet name for marginal trading. Amulet this year has had an interesting experience as the following table shows. It gives the price range by months and by weeks for June and July along with the number of shares traded in each week. The table:

	High	Low
January	289	161
February	182	130
March	138	122
April	123	85
May	171	107
June	278	161
July	410	241

June and July by Weeks

	High	Low	Sales
June	200	161	552,325
"	214	190	307,739
"	278	200	761,056
"	260	240	386,485
July	262	222	396,200
"	255	240	391;805
"	299	245	749,290
"	380	305	1,095,115
"	447	349	602,720
			5,242,735

Where the Amulet market is going to go to, no one seems to know. The market is not based on official information. It is pure gambling and many people are pointing to the trading as an evidence of why they are not active in mining share trading. No official statement in regard to the drilling of Amulet has been given out and the information that has reached the public is for the most part put out by brokers who are directly interested in sales and commissions.

Latest reports going the rounds are now attempting to hook up Area with the alleged important discoveries on Amulet. Undoubtedly, this is doing the expected as the Area market is showing signs of activity as well. The public was left holding the bag on Amulet and Area earlier in the year and mining will suffer, if there is a repetition of this experience.

Undoubtedly, two factors in the Amulet situation are that there are only 2,000,000 shares, which, at a price of $5, means only $10,000,000 valuation, and which would be low, if some real new deposits are opened up. Diamond drilling, however is hardly sufficient evidence of values to run up a tremendous valuation on. In addition, there has been a lot of talk about stock rights, when the capital is increased, and this has drawn many into the market.

Selling of Noranda rights to speculate in the more active stocks has resulted in a weakness in this issue and Noranda shares have also reacted somewhat. The bulk of the leading stocks have held quite firm. Teck Hughes has been under accumulation, and some good reports that are about in regard McIntyre have brought out some buying.

The weakness in Central Manitoba has passed and the shares have been quite firm. The outlook is that there will not be any more news available as regards this operation until the directors meet in Winnipeg sometime in September after they visit the property. Howey shares continue to hold around 60. It will be some time next month before there will be news on this operation also.

Miner With Barrow Produces Platinum

Garnet Sootheran and his wheelbarrow, which startled British Columbia last summer by producing 16 ounces of platinum in Tulameen district from 25 wheelbarrow loads of gravel, are at it again.

A few days ago Sootheran appeared at Royal Bank branch at Coalmont with 7 ounces of platinum. Last year he used a wheelbarrow to take gravel from his lease to the creek and wash it. This year's discovery is on a small island, 100 yards away from last year's operation. The platinum is said to be rough looking and evidently has not traveled far. This leads to the belief that the source is not far away.

EXPECT GOOD NEWS AT DUNWELL MEETING

Details of Summer's Diamond Drilling and Mill Operation Will be Given

From Our Own Correspondent.

VANCOUVER. — Shareholders attending Dunwell Mines annual at Victoria in a few days will be told the results of recent diamond drilling operations.

President R. M. Stewart, a pioneer of Portland Canal field, is confident that investigations will continue to show new ledges for the next twenty years.

Dunwell's mill is handling 150 tons of ore daily, producing 30 tons of concentrates, 20 of which are zinc and 10 lead, carrying gold and silver values.

Dunwell has the new Ben Ali strike open cut for 300 feet vertical depth and 500 feet horizontal depth. A tunnel is now being built and it is hoped to get down to the foot of the hill, which is 500 feet below the last open cut and three-quarters of a mile from the mill. The ore comes out on the face of the mountain, and no cross-cutting has to be done to get it, as the operations drift in the ore from the start. The vein throughout is said to produce a good grade of ore, with high gold values. Diamond drilling has been in progress all summer.

SINK 2 SHAFTS ON JACKSON-MANION

Timmins People Have Been Able to Make New Deal on Group

N. A. Timmins, Inc., has resumed operations on Jackson-Manion group, Woman Lake, and will proceed at once with the sinking of two prospecting shafts.

A new deal has been arranged. Evidently better judgment prevailed, though it looked, for a time, as if this would not come about and that Mr. Timmins would be unable to continue. D. M. Thompson is the engineer in charge of the work. Since work stopped on the Jackson-Manion, he has been carrying out exploratory work in East Clearwater Lake for the Timmins people.

Mr. Timmins had made all arrangements to proceed with the sinking of two shafts just at the time the hitch was met with in the new negotiations. Money for the work had been deposited and machinery was at Winnipeg and arrangements completed to take it in sectionally by aeroplane.

A letter from Woman Lake to Patricia Herald says the hitch in the negotiations arose at the last moment over an "eighth interest which had been sold to a certain party. Timmins people and the Jackson-Manion interests could not come to amicable terms, and through foolish bickering they drove Timmins out. It looks bad. But the mine is still there. The gold is there. Some other wise head will step in and the reward coming to him will be substantial. At present, the old camp of the Manion-Jackson is deserted. The yellow metal stares at you from the big vein, and you stand in a mental haze and wonder and then wonder some more. The silence gives you the creeps."

Ontabec Reports Find in Shore of Dufault Lake

A new discovery is reported on Ontabec Group No. 9, on north shore of Lake Dufault, Dufresnoy Tp., Quebec. Fred W. Thompson, in charge of field operations for Ontabec, has started a gang of men stripping and trenching the discovery.

On Ontabec, Joannes Tp., property a gold and copper showing on the northern half of the property is opening up well, having been traced south, and a crew of men are now being employed on the claims.

The Ontabec Company has been informed that the ore zone on the "Thompson Situation" of the Harvie Mining Exploration Co., Limited, extends right across the property for a distance of a mile. Ontabec optioned this group.

SIGNIFICANT ORE IS UNCOVERED AT RINGROSE MINE

Vein Has Opened to Eleven Feet and Shows High Gold Content

SHARE RIGHTS COMING

Harvie Shareholders Will Get Bonus of Exploration Shares and Options as Well

Important developments have taken place very recently on the Ringrose properties of the Harvie Mining Exploration Company. As the shaft has been driven downward, the vein has widened and the gold value per ton has increased. The progress which has been made is seen in the results of the assays. These, starting on the surface, have shown an average yield per ton in gold or $3.20, $4.80, $6.12 and $12.50. Thus, the farther the shaft has been driven downward, the higher has been the value. At a depth of 15 feet the vein is four feet wide; at 50 feet, five feet wide; at 100 feet, the present level, 11 feet wide. The property has now been brought to the diamond drilling stage and preparations are being made to start drilling immediately. Incidentally, the ores on the Ringrose property are chiefly of base metal — the gold returns found in the assays can be regarded as "velvet," which would considerably more than meet mining costs.

Other Work on Properties

On the "Harvie" operations a diamond drill is now being set up. Cross cutting from two drifts on the Archean-Thompson property has cut two parallel ore bodies which lie approximately 100 feet apart. Drifting is now being carried out on these ore bodies.

Work on the Archean-Thompson properties confirms the belief that the formation extends across the property for a mile. Already, two discoveries have been made in the southern extension which is being explored by magnetometer and surface trenching.

In a circular letter to the shareholders of the Harvie Mining Exploration Company, Robert Harvie, the president, says in part regarding the holdings:

"Having just examined the recent work on the southern groups, I am satisfied of my earlier view that these newer groups of claims which make up the southern area hold as great promise as the northern area. It will, however, be several months before detailed conclusion can be formed as the task of examining so large an area must of necessity be very slow and deliberate."

Exploration Stock Bonus

The Harvie Mining Exploration Company has made an announcement regarding the distribution of its holdings in the Exploration Company of Canada to the Harvie shareholders.

The authorized capital of the subsidiary will consist of 2,000,000 shares of no par value of which 400,000 shares will be issued to the Harvie Mining Exploration Company. Thus, the shareholders of the parent company will receive a bonus of two shares of the Exploration Company for every share now held in Harvie Mining Exploration.

It is intended that this subsidiary should remain under the control of the Harvie shareholders and therefore, there will be no public issues of stock. The financing of the subsidiary will be carried out by issuing rights.

Each Harvie shareholder will soon have the right to subscribe for two shares at $2.50 per share for each Harvie share now held. This subscription will carry with it an option to subscribe for an additional two shares on February 15 next at the same price and for a further two shares on July 5, 1928.

Terms of Subscription

The subscription terms have been arranged on the basis of 20 per cent. with the subscription and 20 per cent. per month over four additional months. The present position of the Harvie shareholders is, therefore, that for each share of present Harvie stock they will receive a bonus of two shares of Exploration Company stock valued at $2.50 per share and the right to subscribe for two shares at $2.50 with an option to purchase two additional shares on February 15 and a further two additional shares on July 15, 1928.

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FIND ON RAINBOW LAKE SUGGESTS A NEW KIRKLAND

Bathurst's New Discovery in Patricia Causes a Great Rush of Prospectors

Is Rainbow Lake, Patricia district in past Red Lake district, another Kirkland Lake?

This question is asked by Patricia Herald in telling of the latest discovery which Thos. Bathurst and associates have made there. Evidently, the surface indications are spectacular enough to suggest the question, but, of course, it will take a few years' effort to produce the answer. It will only come from work. Editor MacGregor, an old prospector, and now editing Patricia Herald, visited the find. He writes of it:

"Only systematic prospecting by experienced men could have brought to light the veins carrying free gold at Rainbow Lake. The shore lines while revealing but few exposures of both igneous and sedimentary rocks give little hint of what may lie behind. The wet season, combined with the unusually flooded state of river and lake, under this year's shore prospecting almost an impossibility. Then again, the country being virgin, through which no fire has swept, all prospecting had to be done with grubhoe and spade in a determined way.

"The chief discoveries have been made back in on the knolls of sedimentary rocks which rise gently from the lower levels bordering the lake. Where the writer looked over a portion of the ground, the intrusive rocks seemed to outcrop but seldom and only close to the lower skirts of the ridges where the overburden is more or less heavy. Because of the prevalence—in the higher ground—of stringers, veinlets and veins of quartz from a few inches to two feet wide, which invariably carry visible gold, what may be revealed by real work on the lower levels where the porphyries are mainly hidden, is easy to imagine.

"The free gold is generally associated with a dark mineral not unlike a fine steel-point galena, which more than one experienced mining man believes to be a telluride of gold. After passing through a 200 mesh and all visible gold extracted, the residue assays high. The assays were done carefully at the Bathurst Mines at Narrow Lake. Little, if any, sulphides occur in the veins in the sediments. In a vein between a sedimentary rock and a dark-grey porphyry—a contact which was well-defined having a general strike northwest and southeast—mineralization was more in evidence. Visible gold had also been discovered in this contact, and of several assays made from samples taken, the lowest gave $11.00 the highest going over $200. Some desultory digging was being done on the "contact" when the writer happened along. A cross trench was down six feet, at the bottom of which much oxidized material was being broken into—a sort of iron capping—in an effort to get at the real vein. Naurally, all this oxidization matter pans heavily. At first view the showings are unimpressive, but when one considers the character of the formations, coupled with the fact that all work done to date has been of a scrappy nature—merely a prospector's attempt to find vein mater—these same narrow veins suggest extraordinary possibilities. It was the porphyry intrusives in the conglomerate formation which gave Kirkland Lake its distinctive highgrade character. Because of the narrow veins, their erratic tendencies, and other apparently insignificant surface indications, more than one eminent mining engineer turned Kirkland Lake down. But the mining game has a queer way of giving the "ha, ha" to the most subtle theoretical knowledge. The best mining engineers of to-day say little but think a lot—if they think at all.

The discovery attracted a great many prospectors from Narrow, Woman and Clearwater Lakes and heavy staking resulted.

BOISCHATEL DEAL COMING

Boischatel Mines is reported negotiating with other interests with a view to acquiring additional holdings in the Rouyn area. An announcement is expected soon. Work at the present time is being centred on the western group of the company's properties which lie very close to the western group of Towagmac. The company is reported in good financial shape.

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Mining Inquiries

Trethewey Ossian

Would you say Trethewey Ossian was a speculation or investment?

Trethewey Ossian shares are speculative.

Atlas

I have been told to buy up Atlas. Would you advise it?

Atlas shares are a gamble that has very little to recommend it.

Montchatel Mines

Have you ever heard of Montchatel Mines? Where is it?

Montchatel mines is a prospect in Quebec. It is in good hands and is fairly well located.

Eldorado-Porc.

Have you ever heard of Eldorado-Porcupine?

Eldorado Porcupine charter was issued 15 years ago, but as far as we can learn, that is the only claim the company ever had to fame.

Golden Fleece

Have you any idea as regard the chances of Golden Fleece Mines?

Golden Fleece mine has been going a long time and does not seem to get anywhere. We, therefore, consider the shares unattractive.

Ross Powell

Do you know if they are doing anything with Ross Powell Syndicate, Kirkland Lake?

Ross Powell Syndicate shares are a waiting proposition. Holdings are well located, but nothing is being done on them.

McCarthy-Webb

Will you send me a report on McCarthy Webb Mines?

McCarthey-Webb is speculative. Property indications to-date are fair, but the operation has been handicapped by the inability of those in control to provide sufficient funds to carry on a continuous and economical explanatory program. We believe they have made a good financing deal recently.

Tulameen Gold

Have you heard of Tulameen Gold and Platinum in British Columbia?

Tulameen Gold and Platinum is a prospect. When in British Columbia earlier in the year, the writer discussed this venture with some of the principals. They have found an old river bed and their explanatory work leads them to believe that the ground is a rich placer. They say there will be ample water available. This is a big factor in getting costs down and costs mean much in placer mining. It looks like a fair gamble.

Gull Kirkland

Have you any information on Gull-Kirkland Mines?

Gull Kirkland has been testing out Gull Lake in Kirkland Lake Camp. Success to-date has not been outstanding, but they are trying hard. They are looking for the extension eastward of the Kirkland Lake production zone which passes undoubtedly into Gull Lake from the Tough Oaks property. Some say it hits east by north, some by south. Only work such as Gull Kirkland is doing will settle the matter ultimately.

LaSalle Copper

I shall be indebted if you will give me views on La Salle Copper, with 1,000 acres in Rouyn.

Acreage does not mean much in the Quebec country. Big holdings are the order. Commercial mineral deposits are the scarce commodity. La-Salle Copper is a prospect that has a chance. Much the same as dozens of others. We judge that the shares are selling at a level that indicates this. If you can afford the gamble, you face the possibility of big profits, such as have been made in numerous similar ventures, if they hit it right.

Astoria Rouyn

A salesman has been pressing me to buy Astoria Rouyn. Is it a favorable speculation?

They have an attractive board on Astoria Rouyn. Sir Jno. Willison died, and he was replaced by President Carlisle of Good Year Tire, an equally good man. They have well located properties, as their prospectors show. They are still in the prospect stage and are to be regarded as a fair gamble. You could hardly call them a favourable speculation as that is about the position we would place Amulet, Towagmas and others of this class in.

Wescana Collieries

Please tell me what your idea is of Wescana Collieries, an Alberta venture, offering shares.

Wescana Calleries shares lack attraction from a mining point of view. That is, like other Alberta mines, they have an abundant supply of good fuel. The bug-bear of these concerns for many years has been, and still is, markets. Under present conditions, high freight rates keep Alberta coal out of the eastern market, and there is keen competition for the western market. Mining costs are high as the mines cannot get markets to keep them going the year round.

Oil Royalties

I am asked to buy Imperial and Petroleum oil royalties. How do they work?

Imperial Royalties and Petroleum Royalties are much the same. They buy up royalty rights, usually one-eighth production of a well from owners of land drilled on a royalty basis. They pay the owner cash for his rights and gamble on their one-eighth of the well's production paying them back. They have no marketing problem but their income is subject to the ups and downs of the crude oil market. Their profits are regulated by this along with their ability to raise funds for purchasing new royalties to get a greater volume.

Teck Hughes

Will Teck Hughes have an advance of $5 to $15 above the present market, if held?

It is hard to tell where Teck-Hughes will go to. It seems destined to go higher. We don't think you will find many of the old holders of Teck selling. The big bulk of this stock was secured under 20 cents and the years dividend will pay that back. Present valuation is $40,000,000. To get your money back means that about $60,000,000 must be produced and another $20,000,000 for interest. Early in the year we estimated that Teck would produce $100,000,000 down to 3,000.

Grace L. Gold

Do you know anything of the people backing Grace Lake Mines? What of the property?

Grace Lake Gold took over Old Wisconsin-Skead property, Skead Tp. Boston Creek Area. The old company, like practically every operation in the camp, never made much progress. Engineers do not seem to have taken kindly to the section. Some of them have spent some money and quit. Perhaps they failed to find sufficient merit to properties to continue spending funds. The Area has never had a real testing out and it has possibilities. We are not acquainted with the position of the backers of the company. They are newcomers to Canadian mining.

Hollinger

I should like to have your opinion on Hollinger at its present price of about $18. I bought the shares at $22 which returns me a yield of about 6 per cent. Is there any news from the mine which would cause the stock to sell down to its present level?

We have consulted those who have a comprehensive knowledge of Hollinger and its operations, and we can learn of no undisclosed factors which would account for the recent decline in the shares. In our opinion, Hollinger is just as good a purchase now, in its class, as it has ever been. We believe that you will ultimately be able to sell the stock at a figure in excess of the price which you paid. Physically, the mine is in a good position, and ultimately we anticipate considerably increased prices for the shares.

MINING STOCK QUOTATIONS

Week Ending Aug. 2

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Aug. 2	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	1.55	1.05	1.47	18650	....	....	1.55	.20
Aconda	1	....	....	17	17	17	800	....	....	45	16
Allied M.	1	....	....	....	....	....	....	....	....	5.51	2.70
Amal.Copper	.	....	....	....	....	....	....	....	....	4.59	3.01
Amcs	.	....	....	....	....	....	....	....	....	56	15
Amulet	1	....	....	4.47	3.50	4.45	602720	2.89	.90	4.47	.85
Algonquin	1	....	....	2¾	2½	2¾	18000	6¼	1¾	5½	2
Apex	1	....	....	....	....	....	....	6	2¼	3½	1
Area	1	....	....	50½	36	50	335600	1.55	.21	1.95	.25
Argo. Con.	1	....	....	32	28	29½	64950	67	18½	59	25
Atlas	1	....	....	3	2	3	23100	5	1¾	7	2
Archean	10	....	....	....	....	....	....	....	....	18	17
Ajax	1	....	....	....	....	....	....	....	....	39	6½
Bard	.	....	....	....	....	....	....	....	....	1.59	.35
Baldwin	1	....	....	2	1½	2	4000	6¼	1	4½	1
Barry Holl.	1	....	....	30½	29½	29½	41850	1.00	.21	1.00	.25
Beaver	1	....	....	1.10	1.04	1.06	15950	.99	.51	1.22	.5½
Bellellen L.	1	....	....	....	....	....	....	23½	20	23½	3
Bidgood	1	....	....	12½	10	12	17900	9¾	4½	14½	5
Boischatel	.	....	....	5¾	5	5	28500	....	....	27	3
Boston Creek	1	....	....	....	....	....	....	7½	2½	1	½
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	3	3	3	2500	7½	2	9½	3
Bunker H.	.	....	....	....	....	....	....	....	....	1.00	.75½
Can. Lorrain	1	....	....	13	13	13	1000	93	57	72	10
Capitol S.	1	....	....	19	18	18	6000	48½	24	34	15½
Capitol R.	.	....	....	12	12	12	11000	43	26	54½	12
Cen. Manitoba	1	....	....	1.60	1.45	1.60	47210	....	....	1.90	1.07
Castle Tre.	1	....	....	76	76	76	1500	1.85	.91	1.27	.75
Chaput H.	1	....	....	9½	9	9	8500	22	3¾	13½	4¾
Clifton	1	....	....	....	....	....	....	6½	1	3½	1
Col. Kirk	1	....	....	2½	1½	1½	50500	6¼	2	6	1½
Coniagas	5	....	....	4.95	4.70	4.80	2910	4.85	3.00	5.00	3.20
Coniaurum	5	....	....	4.20	3.90	4.10	4060	4.60	3.00	4.25	2.80
Cons. Smelter	25	10+5	1.10	231	225	227	2131	265	177½	264	215
C. W. Dome	1	....	....	6	5½	6	10100	29½	14	19	5
Corona	1	....	....	18½	10½	16	259000	37½	20	37	10
Copper Hill	.	....	....	58½	57	57½	23150	....	....	58½	47
Comm. Mines	.	....	....	.75	.75	.75	500	....	....	1.50	.71
Crown Res.	1	....	....	12	10	10	10300	24¼	8	15½	7
Coast Copper	.	....	....	12.75	12.00	12.75	115	....	....	22.00	12.00
Davidson	1	....	....	....	....	....	....	3	1½	3	1
Destor	.	....	....	....	....	....	....	41	40	43	40
Dorion	.	....	....	....	....	....	....	....	....	4.00	1.02
Dome Mines	None	$1	13.65	7.40	7.25	7.35	821	20.00	8.00	10.85	6.85
Don Rouyn	1	....	....	26½	23	25	19750	61	25	56½	17½
Duprat	1	....	....	10½	8¾	10½	120720	35½	8½	34½	6½
Dubec	1	....	....	1.30	1.15	1.18	159000	....	....	1.30	.35
Dom. Lead	.	....	....	1.58	1.49	1.55	11700	....	....	1.58	1.05
D. Kirk	1	....	....	....	....	....	....	....	....	2½	1½
Dunwell	.	....	....	....	....	....	....	....	....	1.51	1.50
Eastern Metal	1	....	....	13.60	13.40	13.50	1000	....	....	13.60	10.00
Everett	1	....	....	....	....	....	....	12½	3¾	5½	2
Fiske	.	....	....	....	....	....	....	....	....	30½	5
Fisher, Que.	1	....	....	1.20	1.05	1.15	50975	....	....	1.20	.50
Goldale	1	....	....	33¼	30	33	38664	43	24	35	20
Gold Hill	1	....	....	28	26¾	27	11819	73½	25	54	25
Gold Reef	1	....	....	....	....	....	....	5	1	2½	½
Gifford	1	....	....	....	....	....	....	....	....	1¾	1
Gladstone	10	....	....	....	....	....	....	....	....	29	14
Grover Daley	1	....	....	11	10	11	20250	32	18	37	8
Gold Ore	.	....	....	1.58	1.46	1.53	9465	....	....	1.58	.90
Harvie Exp.	None	....	....	14.90	13.25	14.00	4985	....	....	16.10	12.00
Hillcrest	100	6	10.00	....	....	....	....	65	55	65	60
Do. pref	100	7	8.43	....	....	....	....	83	79½	87	83¾
Hill Top	1	....	....	9½	7½	7½	11400	31¾	20	24	7½
Hollinger	5	26	7.12	18.60	18.25	18.25	3190	21.00	16.75	22.65	18.00
Howey Gold	1	....	....	64	61	64	3500	....	....	75	42
Huron	.	....	....	....	....	....	....	....	....	1.09	1.02
Holyrex	.	....	....	....	....	....	....	....	....	5½	5½
Indian	1	....	....	9½	9	9	10600	14½	2¾	12	4
Int. Nickel, c.	25	$2	3.03	66½	57½	66½	31125	46	32½	75	38
Jay Copper	.	....	....	30	30	30	5000	1.10	.73	1.26	.30
Keeley	1	24	25.53	.98	.94	.94	3290	1.90	1.39	1.66	.94
Keora Mines	1	....	....	....	....	....	....	22	11	12½	2½
Kirk. Hunt	1	....	....	15	14½	15	19975	34	8½	35	10
Kirk. Lake	1	....	....	1.51	1.37	1.49	199350	1.44	.69	1.54	.82
Kamisko	.	....	....	9.50	9.50	9.50	180	....	....	9.75	7.62
Kirk. G.B.	.	....	....	1.05	1.00	1.05	16120	....	....	1.05	.75
Lake Shore	1	40+10	2.44	20.55	20.25	20.45	4065	16.15	9.50	21.10	15.40
Lakeside L.	1	....	....	1¼	¾	¾	24500	10	1⅛	6	¾
Laval	1	....	....	29	25	29	84450	45¼	21	55	19½
La Rose	1	....	....	....	....	....	....	39	4	12	3½
Lorrain, C.	1	....	....	....	....	....	....	15	2	3¼	1
Lorrain, T. L.	1	....	....	55	55	55	2000	1.10	.30	.86	.25
Mentor	.	....	....	12.60	12.50	12.60	250	....	....	12.60	12.00
McDougall	.	....	....	39	37	38	13400	....	....	50	17
Marclay	.	....	....	....	....	....	....	35	30	42	34½
M'tchatell	.	....	....	36½	26½	26½	234150	....	....	42	29
Macassa	1	....	....	21	20	20	3100	43	25	37	18
McKinley	1	....	....	15	13½	13½	7300	26	8½	18	11
McIntyre	5	20	3.88	25.90	25.75	25.75	945	29.75	22.70	27.50	24.00
Millcrest	1	....	....	5	4½	4½	1500	21½	3½	6¼	4
Mining Corp.	5	25	8.30	3.12	3.00	3.10	2380	4.45	2.60	3.65	2.90
Moneta	1	....	....	....	....	....	....	18	11	14	8¾
Montreal Rouyn	1	....	....	18	14	16	38400	60	13	33	10
N. A. Dev.	.	....	....	1.00	.75	.75	59800	....	....	2.10	.75
N. A. Lead	.	....	....	....	....	....	....	1.75	1.50	2.75	1.00
Newray	1	....	....	40½	40	40½	5000	45	31	40½	28
Night Hawk	1	....	....	6	5½	5½	13100	17	3¾	10½	4½
Nipissing	5	6	5.45	5.70	5.50	5.50	5085	9.25	4.95	10.30	5.35
Noranda	None	....	....	22.05	21.75	21.95	9131	24.75	12.00	25.00	19.95
Do. Rights	.	....	....	75	64	65	126269	....	....	90	64
Ophir	1	....	....	....	....	....	....	4¼	½	4¾	¼
Ontario, L.C.	.	....	....	....	....	....	....	....	....	1.30	1.03
Osisko	.	....	....	41	35	41	2700	1.94	1.05	1.75	.35
P. L. Cobalt	1	....	....	5¼	4¼	5¼	20500	32	14½	18	3½
Porc. Crown	1	....	....	4¾	4	4	2500	12	4	11	3½
Prec. Metal	.	....	....	....	....	....	....	....	....	22.00	20.00
Pioneer	1	....	....	86	70	86	6200	1.22	.66	1.18	.70
Premier Gold	1	32	14.67	2.20	2.08	2.18	16200	2.75	1.83	2.30	1.86
Preston	1	....	....	4½	4¼	4½	5000	9⅞	4	7	3
Potter Doal	.	....	....	22	14	15½	271950	....	....	65	12
Power & Mines	.	....	....	....	....	....	....	....	....	1.70	.75
Rouyn C.	.	....	....	....	....	....	....	....	....	4.28	2.50
Rouyn	1	....	....	2½	2	2½	2000	9	1⅞	5	1
Rouyn, Que.	1	....	....	....	....	....	....	4½	1¼	4¾	1
Ribago	1	....	....	33½	26½	33½	41500	....	....	87	13
Siscoe	.	....	....	20	19¾	20	5050	....	....	26	12
South Keora	1	....	....	....	....	....	....	35½	5	54½	6½
Stadacona	None	....	....	19¼	17¼	17½	64550	51	40	55	15
St. Anthony	.	....	....	30	30	30	1500	....	....	50	10
Sylvanite	1	....	....	3.55	3.46	3.46	1500	....	....	4.30	2.60
St. Law. Zinc	.	....	....	....	....	....	....	....	....	82	72
Teck Hughes	1	10	1.19	8.51	8.34	8.40	25811	5.55	2.65	8.60	5.25
Timiskaming	1	....	....	5⅛	5	5	1000	15¼	6	7	5
Thlmp. Krist	1	....	....	....	....	....	....	3½	1	1	½
Tough Oakes	1	....	....	31	28	28	33000	66	36	62½	26
Towagmac	1	....	....	3.57	3.35	3.50	17785	6.10	3.15	5.75	2.85
Trojan	.	....	....	8.25	7.00	7.00	1400	....	....	8.25	4.00
United Cop.	.	....	....	....	....	....	....	....	....	5.32	3.00
Vic. Silver	1	....	....	3½	3	3	8000	96	3¾	14	2¼
Vickers	1	....	....	.50½	.49	.50	4050	1.22	.13	1.52	.25
Vipond	1	....	....	.80	.77	.78	13815	2.02	1.49	1.75	.75
Wakenda	1	....	....	....	....	....	....	2¾	1	5	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West Tree	.	....	....	....	....	....	....	4	2	4	2
Wettlaufer	1	....	....	....	....	....	....	10	2	4½	2
W. Dome Lake	.	....	....	11	10¾	10¾	2500	....	....	13½	10¾
Wright Har.	None	20c.	3.13	6.15	6.05	6.06	32790	....	....	6.65	5.50
Vac. Gas	.	....	....	9	9	9	2000	....	....	26	3

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ESTIMATE HUNT FOR OIL IN PRAIRIES COST $15,500,000

Large Expenditure Has Resulted in Production Around 1,200 bbls. Daily

Imperial Oil and independent operations have spent $15,500,000 in trying to develop an oil industry in Western Canada. "This has been more than justified," says Western Oil Examiner, Calgary, which made the estimate. There is a daily production of around 1,000 barrels of oil per day, which does not include the new Devenish well on the skiff structure and which on a pump will produce from 200 barrels a day up. Oil Examiner estimates the Imperial production at 834 barrels daily and independents 406, and counting Devenish at 250, it would credit independents with 635 barrels.

Of the $15,500,000 which is estimated to have been spent in western oil development, the Dominion government has received $4,285,325 in lease rentals and filing fees up to March 31, 1926, while another $1,000,000 was probably spent since that time.

Imperial has spent about $6,000,000 to date. It is estimated that $5,000,000 was raised for development in the 1914 boom, while approximately $2,500.000 was spent in the years 1915 to 1925 inclusive. This makes a total of $15,500,000. Subtracting $5,250.000 spent on leases, this leaves $10,250.000 invested in equipment and on drilling operations.

The people of Alberta have put up at least 80 per cent. of the money raised for independent companies.

Leasing activity began in 1912, and, according to the Blue Book of the Department of the Interior, a total of $4,825 325.90 had been paid in rentals and filing fees from 1912 to the end of the fiscal year ending March 31, 1926. Development work accounted for the sum of $2,483,994.63 being applied in lieu of rentals. In computing this, the amount spent on machinery and casing is taken into account, leaving the actual cost of development to be reckoned on rentals. Therefore, the federal government has received the equivalent of $6,769,320.53 in filing fees and rentals in the first 14 years of actual oil development.

It was estimated by oil men that five million dollars had been invested in independent companies during the second oil boom last year, of which $3,500.000 was contributed by Calgary capital.

The fact that Okalta sold its $450,000 issue in three days and the British Dominion disposed of $300,000 worth of stock in a slightly longer period and New McDougall-Segur had no trouble financing, to cite a few examples, lends credence to these figures.

Besides the money spent in actual treasury shares at par value big sums were tied up in organizing companies and from the sale of vendors' stock. The circulation of the latter is a big factor in depressing the prices.

The greater proportion of the money destined for development purposes, which was subscribed in last year's boom, has already been spent. There is still quite a lot of money tied up in companies with a few thousand dollars apiece, which will ultimately go into drilling, possibly through amalgamations and community drilling programs.

While the sale of treasury shares has been a slow process where issues offered to the public are concerned, there has been a steady stream of money coming into Alberta and Saskatchewan from big investors for development. It is safe to say that $2,000.000 has been made available to independents for leasing and development activities in the past year, including the sale of small lots of treasury stock. Such companies as the Home and London-Ribstone have been responsible for big sums being placed in western banks for development in the past year. Cypress Hills Syndicate spent over $40.000 on one filing coup, while O. G. Devenish invested almost as much in blanketing large sections on the Devenish and Verdigris Coulee structures. The Hudson's Bay Marland Oil Co's. surveys by a score of geologists and filing fees on a few thousand acres here and there make up a considerable sum.

A NEW OPTION ON SHERRITT-MADOLE

Toronto Group Takes Up the Property 30 Miles North of Flin Flon

Sheritt-Madole group, Cold Lake, Northern Manitoba, 30 miles from Flin Flon property, is reported taken up by a Toronto group headed by the Lindsley brothers. The option price is said to be $200,000. Diamond drilling done by Messrs. Earle and Fasken revealed a substantial tonnage of ore of about the same grade as that at Flin Flon. On claims acquired adjoining an additional tonnage was developed by the same interests and these claims are now in litigation, it being contended that there was some agreement in regard to the division of the interest in any such acquisitions or stakings, that has not been carried out. J. P. Gordon, The Pas optioned the original group from Sherritt and Madole and turned them over to Messrs. Fasken and Earle. After doing considerable work, the latter asked for a change in the deal. This was not forthcoming. Victoria Syndicate afterwards examined the property.

Telluride Noticed in Furness Working

The shaft on Furness Gold Mines, Porcupine, is down 150 feet. In sinking, the vein came into the shaft at 30 feet, and dipping south and showing good values. It is understood that the presence of the telluride calaverite has been noted. At 100 feet, another vein came in and continued down 20 feet with the shaft, and dipped out to the north. This view did not show on surface. A station was set at 125 feet, and it is the intention to crosscut north toward the high grade vein and then drift on it. The ore zone on surface on the property is 2,600 feet long and all veins seem to break towards it. The shaft is about one-third the length from the eastern boundary. On the west is where early operation recorded $86,000 in free gold from one pocket. The property is shattered with veins.

GYPSUM PRODUCTION SHOWS NICE JUMP

Fairly Substantial Export Trade Being Built Up — 18 Firms Operating

Gypsum production in Canada advanced to a new high mark in 1926, according to finally revised statistics just issued by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics at Ottawa. Increases in tonnages shipped were recorded in all producing provinces except New Brunswick. The total production for the year was 883,728 tons worth $2,770,813 as against 740,323 tons at $2,389,891 produced in 1925. Gypsum quarried in 1926 totalled 931,193 tons, of which quantity only 161,341 tons or 17.4 per cent. was calcined in Canada.

Importations of gypsum, all grades, into Canada were recorded at 6,298 tons worth $119,141 as against 8,921 tons with a valuation of $136,308 imported in 1925.

Canadian crude gypsum exported, principally to the United States, amounted to 668,064 tons in 1926. Ground gypsum and prepared wall plaster exported during the year totalled 10,062 tons. United States, Newfoundland, Australia and New Zealand were the principal importers of these materials.

Capital employed in this important Canadian mining industry in 1926 was reported at $6,696,077. Employment was furnished to 68 salaried employees, 891 mine workers and 409 mill workers; their combined earnings were $1,255,427. The cost of fuel used during the year was $182,726, while the electric power consumed meant a further outlay of $58,688. Plant equipment included 146 electric motors with a combined rating of 4,432 h.p.

SHIPMENTS OF CANADIAN GYPSUM, 1926

	1926 Tons	Value $
Crude—		
Lump or mine run	151,906	225,749
Crushed	576,489	1,002,679
Fine ground	5,874	36,813
Calcined, sold	55,862	591,522
Calcined, in products	93,597	914,050
Total	883,728	2,770,813
By Provinces—		
Nova Scotia	678,107	1,187,918
New Brunswick	59,546	468,411
Ontario	89,987	496,059
Manitoba	35,172	461,461
British Columbia	20,916	156,964
Total	883,728	2,770,813

Gypsum Imports and Exports, 1926

	1926 Tons	Value $
Imports—		
Gypsum, crude (sulphate of lime)	933	32,442
Plaster of Paris, or gypsum grd. not calc.	209	6,846
Plaster of Paris, calc. and prep. wall plaster	5,156	79,853
Total	6,298	119,141
Exports—		
Gypsum or plaster, crude	668,064	1,069,123
Plaster of Paris, grd., & prep. wall plaster	10,062	137,785
Total	678,126	1,206,908

Principal statistics of the gypsum mining industry in Canada, 1925-26:

	1925	1926
No. of firms	15	18
Capital employed	$4,506,995	$6,696,077
No. of employees	1,039	1,368
Pay roll	$1,018,585	$1,255,427
Fuel, power	$ 189,649	$ 241,414
Value of products	$2,389,891	$2,770,813

Smelters Cut 8-ft. of Solid Galena in Yukon

Solid galena over a width of eight feet is a discovery reported in British Columbia and credited to Consolidated Mining and Smelting on a silver property in Beaver District, 50 miles north of Mayo, in Southern Yukon. The claims are known as Erickson and Bussey. If the showing opens out well, it will be diamond drilled.

LEASE AINSWORTH PROPERTY

W. E. Zwicky, of Kaslo, B. C., heads a syndicate which has leased the property of the Krao Silver-Lead Mining Co. at Ainsworth.

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CANADA'S OUTPUT OF COPPER SHOWS QUITE AN INCREASE

Quantity Jump 18 Per Cent. and Value is Up 12 — Outlook Good

Finally revised statistics on the output of copper in Canada as reported by the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics show a production in 1926 of 133,094,942 pounds valued at $17,490,300 as compared with 111,450,518 pounds valued at $15,649,882 in 1925. This was an increase of 18 per cent. in quantity and 12 per cent. in value.

Copper is produced in Canada, in the provinces of British Columbia, Ontario and Quebec. British Columbia accounted for 67 p.c. of the Canadian output, Ontario 31 p.c., and Quebec, two p.c. Large deposits are known to occur in northwestern Manitoba and in the Rouyn district of Quebec. These areas are being developed at present, and when the production stage is reached the output from these two provinces will contribute largely to the Canadian total.

The total output included (a) 43,597,943 pounds contained in ores and concentrates exported and (b) 89,496,999 pounds of electrolytic copper, blister copper, copper in copper-nickel matte exported, and copper in copper sulphate made during the year.

A new method has been adopted in computing the quantity and value of copper produced in Ontario. Prior to 1926. Canadian copper production statistics included the recoverable copper in ores exported, blister copper made at the Trail and Anyox smelters, and copper in matte made by the nickel companies, all valued at the average New York price for electrolytic copper during the year. The new method provides for inclusion of data on the copper content of converter copper made at Port Colborne, and on recoverable copper in matte and ores exported. Values include (a) the value of the refinery output determined on the basis of sales during the year; (b) copper in matte exported at 10 cents a pound; and (c) recoverable copper in concentrates exported at its market value.

No change has been made in the methods used heretofore in making up the copper statistics for the provinces of British Columbia and Quebec.

The following tables for 1925 and 1926 show the totals obtained by both methods:

Production of copper in Canada, by provinces, 1925 and 1926:

Province	1925 Pounds	1925 Value	1926 Pounds	1926 Value
(a) Calculated as in previous reports.				
British Columbia	69,221,600	$9,720,097	89,108,017	$12,292,450
Ontario	39,718,777	5,777,311	48,726,431	6,721,811
Quebec	2,510,141	352,474	2,674,058	368,886
Total	111,450,518	$15,649,882	140,508,506	$19,383,147
(b) Calculated according to methods used in 1926.				
British Columbia	69,221,600	$9,720,097	89,108,017	$12,292.450
Ontario	39,698,985	4,771,424	41,312.867	4,828,964
Quebec	2,510,138	352,474	2,674,058	368,886
Total	111,430,723	$14,843,995	133,094,942	$17,490,300

Price of copper 1925—14.042 cents per pound.
Price of copper 1926—13.705 cents per pound.

Co-relate Geological Maps of Nova Scotia

A revised edition of the geological map of Nova Scotia has been published by the Geological Survey of Canada, Ottawa. It is printed in one sheet on a scale of eight miles to one inch and presents in concise form the geological features as laid down on nearly one hundred sheets covering a large part of the province on a scale of one mile to one inch. It is a graphic epitome of the results of geological work carried on in the province for over three-quarters of a century, including the early work of Sir William Dawson, Sir William Logan, and Charles Robb, the life work of Hugh Fletcher and E. R. Faribault, as presented in geological reports and the series of sheets on a large scale, and the latter work of A. O. Hayes, W. A. Bell and others.

The locations of the important economic mineral deposits are plainly marked and the geological formations in which the various minerals are found are shown in distinctive colors. Thus, along the Atlantic coast of the mainland lies the gold-bearing series, on the anticlines of which the numerous gold-bearing veins are found that have been the basis of the gold mining industry for over sixty years; in Cape Breton island and on the part of the mainland adjacent to Northumberland strait lies the Pennsylvanian division of the carboniferous system in which the coal seams of the province occur; and in different areas of the island and mainland lies the Windsor series of the carboniferous system, the repository of gypsum and salt beds. Other formations are indicated including the igneous rocks that at different stages in the geological history of the province were poured out as lava flows upon the surface of the earth or were intruded at depth in the older formations and have since been exposed by the erosion of the covering rocks.

The map also serves as an index to the system of sheets that have been published on the scale of one inch to one mile. Each sheet is outlined by red lines and its publication number is given in one corner, so that anyone requiring large-scale maps of any part of Nova Scotia can readily see what maps are available and how to order them.

Notre Dame to Drill its Rouyn Holdings

Notre Dame Gold Mines is operating two groups in Quebec, one in Joannes and the other in Rouyn. Surface work is being done on the former. An electrical survey has been completed on the Rouyn holdings and Edmond Bregent, the engineer, in analyzing the results, says:

"The indications of the electric survey fit in quite well with the geology as shown on the map. The structure of the deposit is weak, and as it has been subjected to considerable erosion by ice and water, its surface is now at a considerable depth, which accounts for the rather weak indications of the electric instrument. The unmineralized rhyolite and the diabase, with their more compact structure, resisted erosion better. The space between the outcrops of unmineralized rhyolite and the diabase comprises a depression which is filled with alluvion and gravel. None of the trenches cut in this depression reached the bottom of the alluvions, except towards the apparent ends of the depression, at lines "H" and "R," where the dislocation was not so intense and the mineralization is lower.

"It is evident that there is a large body between lines "H" and "R," a distance of some 1,500 feet, extending in an east-west direction, the width at each end being about 10 feet, while at the widest point (at the falls) it is 150 feet.

"The outline of the ore body has been approximately determined by surface exploration work and was found to conform with the data of the electric survey. It now remains to undertake underground exploration. In view of the size of the deposit, it is preferable at the present time to use a diamond drill rather than to sink a shaft and cut drifts, so as to rapidly obtain an approximate estimate of the value of the deposit. We can have this estimate in two months."

Drilling of ten 100 foot holes is recommended.

GOODFISH ABSORBS PROVIDENCE

Goodfish Mines, Kirkland Lake, has increased its capitalization from $2,000,000 to $6,000,000 and has acquired Providence Gold Mines adjoining on a share for share exchange.

A mining executive in need of a capable junior executive, under thirty, unmarried, a returned soldier and willing worker, to whom he can assign tasks of a legal, financial or business nature involving a man-sized burden of executive responsibility. Please wire prepaid or write for interview, "Barrister, Box 94, Financial Post, Toronto, Canada."

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SEVERAL GROUPS EXPLORING LARGE HOLDINGS OF BUSH

Diamond Drilling Under Way with Surface Work at Various Places

From Our Own Correspondent.

STEWART.—The most aggressive prospecting and development campaign in the history of Portland Canal district has been started by O. B. Bush, head of Bush Consolidated. In all the company has 64 claims covering a great surface area none too easily explored. Bush is so disposing his forces, however, as to produce a maximum of information in a minimum of time.

G. R. Bancroft, mining engineer in charge of all operations, is credited with having found the main ore body on the National Silver. "Bill" Irwin, mine foreman at the Premier in the days when R. K. Neill was making a mine of that property, heads one crew. Harry Tanner who put the Fish Creek on the map as one of the Alaska-side shippers and later had charge of development on Gold Cliff group of the Bush Consolidated, a number of claims on the Alaskan side believed to hold the south extension of the Premier ore zone, is in charge of another.

With Tanner is Angus McKenzie, recognized as one of the best miners in the camp. William Younkin, who developed the Extenuate, is working with Irwin on the northern part of the property.

On the Border claim, lying immediately north of the boundary, diamond drills are at work and good results are reported.

Surface prospecting has disclosed an immense mineralized zone at the south end of a small unnamed lake lying just north of Long Lake. The diamond drill will be moved to that site when work on the Border claims is finished.

Under the various men mentioned are parties of expert prospectors searching and stripping the surface to find the most promising points on which to do underground work next winter.

Advices from Vancouver are to the effect that Pres. O. B. Bush has returned to Vancouver from Portland Canal, after getting diamond drilling well started on the large holdings of the company. Some good results had been obtained in the drill holes before Mr. Bush left the property, but he considered it a little early to make public details. Drilling is going on south of the Premier where the ore zone from the Sebakwe and Premier is known to extend.

The properties lying on the edge of Premier and Sebakwe were recently purchased by the Bush interests, and comprise about ten separate locations.

Mr. Bush declares that more interest has been shown this year than ever before in the properties in Northern British Columbia, American and English engineers having carried out extensive survey work for many capitalist groups.

GEOLOGICAL THEORY ON ROUYN EXTENDS MINERALIZED ZONE

(Continued from page 17)

the Rand and other world noted deposits.

Cobalt Not Shallow

Some have said that Cobalt was a shallow deposit. Dr. Whitman says it was nothing of the kind. It was a deep seated deposit. The present surface at Cobalt was a long way below the old surface, and it is impossible to tell what amount of the silver bearing rock was carried away by glacial action. He says the mining in Cobalt has followed the deposits down to a good depth, but in only three cases were efforts made to look for deep seated deposits that did not show above. Two of these were not a success, but some good ore was found on Beaver. Dr. Whitman made the point that in the pre-Cambrian, deposition occurs at various horizons and the surface has been worn down. In some places this erosion has exposed the top of an ore horizon. Kirkland Lake is an example. In others, part way down, and others near the bottom. There is one outstanding fact, namely that none of these deposits are characteristically shallow. Kirkland Lake, he said, was being pointed to by many, because the mineral improved at depth, as being possibly the one typical deposit. Dr. Whitman explained that evidently the ore horizon terminated approximately at the present surface, so that the deeper operations go the better the deposit will be down to a certain depth, but this cannot be made to apply to all deposits.

No Shallow Deposits

One of the strong points of Dr. Whitman's argument that the Northern Ontario and Quebec deposits are not shallow deposits, is his contention that the processes for the formation of shallow deposits have not had an opportunity to carry on since the glaciers left. In the Rocky mountains and the United States it was different because there has been that opportunity. The north country has not been one of high relief for some considerable time, geologically. Instead, it has been a humid forest region of low relief, unfavorable for the operation of the processes that form shallow deposits.

It is highly desirable that these facts about the Canadian deposits come to be realized, emphasized Dr. Whitman, in reiterating that the pre-Cambrian deposits are characteristically deep seated.

Nickel's 6 Mos. Net is Slightly Better

Quarter Ending June 30 Shows One Cent Decline Per Common Share — Comparative Figures Show Strong Position of Operation

International Nickel earnings are down a little for the quarter ending June 30. Net income, after depreciation, totals $1,394,923, which after paying the preferred dividend is equal to 75 cents per common share, one cent lower than the same quarter in 1926.

For six months earnings show $1.51 per common share as compared with $1.49 for first six months of 1926. The figures:—

	1927	1926	1925	1924
Earnings	$2,123,392	$2,149,302	$1,893,706	$794,777
Other inc.	30,374	36,647	72,134	50,878
Total inc.	$2,153,766	$2,185,949	$1,965,840	$845,655
Expenses	163,008	138,405	122,132	103,304
Fed. Tax, etc.	168,217	229,589	194,794	60,658
Depr., depl., etc.	427,618	409,839	354,797	321,994
Net prof.	$1,394,923	$1,408,116	$1,294,117	$359,699
Pfd. divs.	133,689	133,689	133,689	133,689
Com. divs.	836,692	836,692	......	......
Surplus	$424,542	$437,735	$1,160,428	$226,010

Six months ending June 30:

	1927	1926	1925	1924
Earnings	$4,247,162	$4,267,576	$3,774,049	$1,606,386
Other income	40,021	85,888	114,688	119,235
Total inc.	$4,287,183	$4,353,464	$3,888,737	$1,725,621
Expenses	304,002	279,039	226,125	*301,442
Fed. tax, etc.	326,025	477,263	368,024	......
Depr., depl., etc.	854,526	822,473	710,388	645,885
Net profits	$2,802,630	$2,774,689	$2,584,200	$778,294
Pref'd divs.	267,378	267,378	267,378	267,378
Com'n divs.	1,673,384	1,673,384	....	......
Surplus	$861,868	$833,927	$2,316,822	$510,916

*Includes federal taxes, etc.

Consolidated balance sheet of International Nickel Co. as of June 30, 1927, compares as follows:

ASSETS	1927	1926	1925	1924
Property	$53,386,129	$53,110,841	$49,941,393	$50,634,024
Investments	1,566,068	1,637,232	227,234	234,572
Inventories	10,075,330	8,763,355	8,499,149	7,723,238
Accts. and bills rec.	2,352,522	2,410,229	2,755,012	1,944,093
Advances	98,351	85,882	88,022	91,704
Govt. securities	2,730,100	3,232,413	2,727,194	1,106,569
Call loans	1,800,000	2,100,000	1,400,000	500,000
Cash	1,244,760	1,165,858	1,414,470	849,789
Total	$73,253,260	$72,505,310	$67,052,424	$63,083,989
LIABILITIES				
Pfd. stock	$8,912,600	$8,912,600	$8,912,600	$8,912,600
†Com. stock	41,834,600	41,834,600	41,834,600	41,834,600
Pur. money notes	2,300,000	....	....	....
*Accts. pay.	1,616,843	1,602,489	1,330,151	775,173
Bills pay.	....	3,011,086	....	....
Pr. divs. pay.	133,689	133,689	133,689	133,689
Ins. and con. res.	913,177	874,826	541,813	452,076
Surplus	17,542,351	16,136,020	14,299,571	10,975,851
Total	$73,253,260	$72,505,310	$67,052,424	$63,083,989

*Includes tax reserve.

†Represented by 1,673,384 shares, par $25.

CYPRESS HILLS OIL STRUCTURE WILL BE TESTED THIS FALL

Medicine Hat Company and Imperial Oil to Drill There

Cypress Hills, south of Medicine Hat, Alberta, which was blanketed with leases not long ago, when W. S. Dyer, Geological Survey, Ottawa, made a report defining a strong new oil structure is to be drilled. The area promises to come strongly into the limelight in the near future because of deals pending.

Two years ago, C. E. Roth, of Independence, Kansas, a successful oil producer of the mid-continent field of the United States, commenced drilling for oil in the Medicine Hat gas area. The first well was drilled to a depth of 3,940 feet and the second to 3,145 feet. Formations were pierced showing indications of oil, but it was evident that these stratas were low on structure, and contained sulphur water.

During the past two years, Dominion government geologists located the Cypress Hills pronounced structure fully described in Geographical Survey Summary Report, 1926, Part B. The elevation in this area is some 1,800 higher than at Medicine Hat. The government geologists have defined two structures favorable to the accumulation of gas and oil.

On the publication of the Dyer report above mentioned, a Toronto syndicate filed on a large acreage, following which the Imperial Oil Company Limited are reported to ave taken up some 25,000 acres.

C. E. Roth has secured from the Toronto syndicate a portion of their leases in consideration of his drilling two wells to a depth of 4,000 feet, providing production is not found at lesser depth.

For the purpose of facilitating and simplifying the handling of his Canadian operations he has organized the Eagle Butte Oil Co., Ltd., and turned over to this company 3,200 acres of leases, selected from the holdings of the Toronto syndicate, for the nominal consideration of 1,000 shares in the company. He has also turned over a modern drilling outfit, for the approximate cost of which he is taking hares.

The company is not dependent on the sale of stock to carry out its drilling program. Two wells will be drilled regardless of how much or how little the Canadian public becomes interested. But Mr. Roth believes in cultivating a friendly atmosphere in Canada and hopes to open an oil field of major proportions in Alberta.

No. 1 well should be spudded in before the end of August. Camp buildings are under construction and derrick material is being shipped in immediately. The drilling equipment is being moved over from Medicine Hat. There will be no delay in drilling these two wells. The company has probably the best drilling outfit in Alberta and employs drilling crews second to none.

NEW DISCOVERIES ON WOMAN LAKE

W. L. Goldfields Development Manager Reports Free Gold Adjourning Cowan Group

Some interesting news of what is being done on Woman Lake, Goldfield's Division, and the Cowan property adjoining, is contained in a letter from Jos. Beaumont, who is in charge of work on the former property. The Post recently gave details of the Cowan find. Beaumont tells of a couple of free gold finds. It is also evident that the news of the new Timmins deal on Jackson-Manion has not reached him yet. His report reads:

"Vein No. 4 is a big lead about 100 feet wide carrying quartz and heavy sulphides, it is several hundred feet long, but will depend on the assays to determine its values. No. 5 is a large porphyry dyke with a network of quartz veinlets cutting it carrying a variety of sulphides, but it is on low ground and the water drove us out, but the water should not trouble much in dry weather. No. 6 is a sheared zone heavily mineralized, about 8 feet wide and it is uncovered about 200 feet and looks like milling ore to me. No. 7 is a large sulphide lead, about 50 feet wide and several hundred feet long. No. 8 is a large lead of anchorite and quartz and pans gold in a number of places. No. 9 is a large quartz vein carrying free gold but have not shot into it yet, but expect to do so to-morrow, and will send samples of the different veins in a few days. Nothing new on veins 1, 2 and 3.

I understand there is a big gold discovery made on the Cowan claims to the northeast of us. I have not seen it myself but I hear it is genuine. There are all kinds of reports here that there are different companies trying to get the Jackson-Manion property, but they say they want to keep it and work it themselves as it will pay its way and give big profits right on the surface.

"We have made several important discoveries since I wrote last but the most important is the big quartz vein on 1757 which shows free gold, and I hope to be putting in a few shots to get something spectacular. We have a pit down about 5 feet on the sheared zone on claim 1770 which has widened out to about 8 feet of heavy mineralization and looks good to me."

B.C. TAKES LEAD IN SILVER PRODUCTION

Output Over 10 Million Ounces for First Time—Ontario 1926 Figures Over Nine Million

Finally revised statistics on the production of silver in Canada during 1926, show an output of 22,371,924 fine ounces which at the average New York price for the year of 62,107 cents per fine ounce was valued at $13,894,531, as against 20,228,988 fine ounces valued at $13,971,150 in 1925 when the average value per fine ounce was 69,065 cents. This was an increase in quantity of 10 per cent. over the previous year.

Canada's silver production is obtained principally from the silver-cobalt mines of northern Ontario, and from the silver-lead-zinc and copper-gold-silver mines of British Columbia. The high-grade silver-lead ores of the Mayo district in the Yukon Territory account for the major portion of the production from that district; placer gold obtained from British Columbia and the Yukon also carries silver. All gold mines in northern Ontario report silver with their gold production, generally in the proportion of 7 or 8 ounces of gold to one ounce of silver.

After five years of the highest price levels for silver that have prevailed for any period of equal length during the past quarter of a century, excepting the years of inflated prices occasioned by war conditions, the price of the white metal dropped during 1926. It may be noted that from August, 1921, until September, 1926, the monthly average price of silver in New York was never below 62 cents per fine ounce. Disturbances during 1926 in the Orient, the world's principal market for silver, caused by the insurgent element of the Chinese population and the announcement of the findings of the Royal Commission appointed to inquire into the Indian currency situation, which report was improperly understood at first to mean the abolition of silver as currency in India, caused the price to drop from a mean of 62.380 cents in August to an average of 53.466 cents in December. The price in January, 1926, was 67.795 cents.

The output in 1926 included (a) silver contained in silver and gold bullion produced, 8,153,294 fine ounces or 36.6 per cent. of the total; (b) silver contained in blister copper and lead bullion made, 7,985,197 fine ounces or 27.8 per cent. and (c) silver estimated as recoverable from concentrates, etc., exported, 6,233,433 fine ounces or 35.6 per cent.

The corresponding figures for 1925 were (a) 10,219,359 fine ounces or 50.5 per cent.; (b) 6,179,238 fine ounces or 30.5 per cent. and (c) 3,830,391 fine ounces or 19 per cent.

Production of silver in Canada, by provinces, 1926:

Province	Fine ounces	Value $
Nova Scotia	112	70
Quebec	375,986	233,513
Ontario	9,274,965	5,760,402
Manitoba	18	11
British Columbia	10,625,816	6,599,376
Yukon Territory	2,095,027	1,301,159
TOTAL	22,371,924	$13,894,531

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